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CONTENTS

Asia & Pacific

Vol IV No 245 22 December 1986

JAPAN

Kuranari on U.S. Trade Friction, Defense Budget C 1
Government To Suspend Export Insurance for Cuba C 1

NORTH KOREA

Soviet Position on Nuclear Moratorium Supported D 1
[NODONG SINMUN 22 Dec]
KCNA Notes Brzezinski Visit to South Korea D 2
U.S. Remarks on South Korean Security Assailed D 3
O Chin-u Sends Greetings to Afghan Counterpart D 4
O Chin-u Sends Greetings to Yugoslav Minister D 4
ROK '87 Policy Goals: 'Road Leading to Downfall' D 5
[NODONG SINMUN 20 Dec]

LAOS

PRC Deputy Foreign Minister Arrives in Vientiane I 1
Ministers Meet I 1
Cooperation Commission Talks Held With USSR I 1
Nouhak Phoumsavan Meets USSR Delegation
I 2

THAILAND

Cahwalit Interviewed on CPM, CPT, Cambodia J 1
Coup Suspect Manat Rupkhachon Said in Bangkok J 4
[MATICHON SUT SUPDA 30 Nov]
2 Magazines Warned on 'News Analyses' Articles J 4
[THE NATION 16 Dec]
Lao Officials Linked to Marijuana Growing J 5
[THE NATION 16 Dec]

VIETNAM

CPV Congress Political Report Continues K 1
Council of State Communique on 22 Dec Session K 43
AFP Sees Delay in Government Leadership Changes K 44

INDONESIA

Mokhtar Comments on SRV Leadership Changes N 1
Subroto Hails OPEC Production Decision N 1
Habibie Briefs Commission on Defense Industry N 1
[KOMPAS 12 Dec]
Commander Confirms Separatists Arrested in Aceh N 2
[KOMPAS 11 Dec]

PHILIPPINES

Aquino Commends Army on Cease-Fire Performance	P 1
NDF Challenged To Show 'Sincerity' for Peace	P 1
NDF Refuses To Join Economic Recovery Program	P 2
Party Representation in Poll Body Annulled	P 2
Government, NDF Disagree Over Constitution	P 3
Communist Parties Differ Over Draft Constitution [MANILA BULLETIN 19 Dec]	P 3
KMU Against New Constitution; Replaces Olalia	P 4
Ramos Urges Coordination in Informing Public	P 4

KURANARI ON U.S. TRADE FRICTION, DEFENSE BUDGET

OW220829 Tokyo KYODO in English 0820 GMT 22 Dec 86

[Text] Tokyo, Dec 22 (KYODO) -- Foreign Minister Tadashi Kuranari said Monday Japan does not want to link trade friction with the United States with the increase of the Japanese defense budget. Kuranari was commenting on reports that the U.S. links its trade deficits with Japan with what is claimed to be Japan's "free-ride" regarding defense. Protective trade moves from the U.S. will increase as long as Japan has a trade surplus with the U.S., and Washington will have difficulty in controlling Congress now that it is dominated by the Democrats, Kuranari said at the Japan National Press Club. But he said Japan will not accept such a linkage and added that he believes that the U.S. Government also does not intend to connect the two issues.

On his scheduled visit to the South Pacific island state of Vanuatu in January, during a tour in which he will also go to Australia, New Zealand, Fiji and Papua New Guinea, Kuranari said he plans no political move in Vanuatu regarding Soviet influence in the region. Vanuatu has recently said it will sign its first fishing rights agreement with the Soviet Union despite Western concern about Moscow's growing influence in the region.

Kuranari said Japan needs no showy diplomacy, stressing the importance of a step-by-step approach and steady diplomatic actions.

GOVERNMENT TO SUSPEND EXPORT INSURANCE FOR CUBA

OW201105 Tokyo KYODO in English 1042 GMT 20 Dec 86

[Text] Tokyo, Dec. 20 KYODO -- The government said Saturday it will suspend the issuing of short-term export insurance for Cuba, effective Monday, due to a foreign currency crisis there.

The step to be taken by the Ministry of International Trade and Industry would bring to a total halt to export insurance for Cuba. The ministry suspended the issuing of medium-term and long-term export insurance for Cuba in March 1983.

Ministry officials said Cuba has suffered acute foreign currency shortages because of a sharp fall in the price of sugar, the nation's main export.

Japan's exports to Cuba, mostly automobiles and industrial equipment, were worth 72 billion yen in fiscal 1985. Japanese sales to Cuba have plunged since last spring, amounting to 18.7 billion yen for the April to June period and 9.8 billion yen for July to September. The government has so far guaranteed exports to Cuba at a monthly rate of about 200 millin yen. Japanese firms which sell products to Cuba will do so at their own risk in the future.

SOVIET POSITION ON NUCLEAR MORATORIUM SUPPORTED

SK220341 Pyongyang Domestic Service in Korean 2152 GMT 21 Dec 86

[NODONG SINMUN 22 December commentary: "Sincere Efforts for Nuclear Disarmament"]

[Text] Preventing a nuclear arms race is, at present, the most urgent question in removing the dark cloud of a thermonuclear war which hangs heavy over the head of mankind and in protecting peace and security in the world. In this regard, for almost 1 and 1/2 years since it unilaterally stopped nuclear testing on 6 August of last year, the Soviet Union has not conducted nuclear tests, while extending this measure on several occasions since. This clearly shows the Soviet Union's sincere and patient efforts to abolish nuclear armaments and to prevent a nuclear war, and its responsible position on the fate of mankind. This has been highly evaluated by the peace-loving people of the world and a broad spectrum of social circles.

On 18 December, the Soviet Government issued a statement concerning the fact that the moratorium on nuclear testing, which is scheduled to expire on 1 January 1987, is coming to an end. In the statement, the Soviet Goverment again proposed to start, without delay, broad-based talks on a complete nuclear test ban, expressed its willingness to also freeze testing in the future, and stated that it would resume nuclear testing after the first U.S. nuclear explosion of the New Year. In addition, it declared that the Soviet Union is willing to stop its testing plan on a reciprocal basis irrespective of date and month if the United States stops nuclear testing. This again shows the Soviet attitude of treasuring peace and prudently dealing with nuclear testing.

The statement indicates that the Soviet Union will resume nuclear testing after the first U.S. nuclear testing of the New Year. This is a just measure to protect the security of the Soviet Union and other socialist countries. As long as the United States does not respond to sincerity on the Soviet side with sincerity on its side, the Soviet Union will be compelled to suspend its moratorium.

Our people support the Soviet Government's just position on the question of freezing nuclear testing. Instead of accepting the Soviet Union's repeated call, the United States has responded with the continuation of nuclear testing. Nuclear weapons testing was conducted on as many as 24 occasions at U.S. test sites during a period when silence dwelled at Soviet nuclear test sites. This shows the U.S. imperialists' colors as nuclear maniacs who are planning to develop new nuclear warheads and turn even space into an area for a nuclear war according to the Strategic Defense Initiative. They are pursuing the reckless purpose of achieving military superiority over the Soviet Union and other socialist forces and of realizing their ambition for global conquest by using a new generation of nuclear weapons. The Reagan administration's recent abrogation of the Soviet-U.S. Strategic Arms Limitation Talks II is related to this. The arrogant U.S. act is an open challenge to the peace-loving proposals of the Soviet Union and other socialist countries and to the sincere wishes of the peace-loving people of the world.

Needless to say, if the United States again turns away from the new proposal advanced in the statement of the Soviet Government, peace on earth will be helplessly endangered. To save mankind from a nuclear catastrophe and to guarantee peace and security in the world, nuclear testing must first be banned and the complete and overall abolition of nuclear armament must be realized as aspired for and demanded by the peace-loving people of the world.

The Korean people love peace. Our people oppose the nuclear arms race and adamantly demand a complete and overall arms reduction, and the abolition of nuclear armament, in particular.

The Korean peninsula is a place where the greatest danger of a nuclear war exists. Turning the Korean peninsula into a nuclear-free, peace zone is an important condition to remove the growing danger of a nuclear war on the Korean peninsula and to guarantee peace there. Moreover, this will greatly contribute to protecting peace and security in Asia and around the world.

After advancing realistic proposals for turning the Korean peninsula into a nuclear-free, peace zone, our party and the government of our Republic are positively struggling to realize them.

Mankind does not want a new world war, a thermonuclear war, and desires to live in a peaceful world free from war. The United States must not run counter to this. The United States must respond to the proposal to hold broad-based talks to stop nuclear testing and must stop the nuclear arms race. The United States must know that if it continuously pursues its policy of nuclear adventure, it will first suffer the consequences of its own policy.

KCNA NOTES BRZEZINSKI VISIT TO SOUTH KOREA

SK210829 Pyongyang KCNA in English 0810 GMT 21 Dec 86

[Text] Pyongyang December 21 (KCNA) -- Former National Security Adviser to the White House Brzezenski, one of the criminals of the first class directly involved in the Kwangju massacre, flew into South Korea on the "invitation" of the "Inhae Institute" and is now active behind the scene, according to a radio report from Seoul.

When the Kwangju uprising took place in May 1980, he, at the U.S. National Security Council in the White House, defiled the patriotic citizens of Kwangju as "mobs", gibbering that the mobs should be dealt with by an iron fist. He openly instigated the Chon Tu-hwan military hooligan to brutal massacre. He was condemned by the public for having insisted on throwing the puppet army as well as U.S. troops into the bestial massacre of Kwangju citizens.

These facts bespeak that working round the clock to bolster up their colonial ruling system shaking to the foundations in South Korea, the U.S. imperialists arranged the Seoul tour of the notorious swindler to encourage the Chon Tu-hwan puppet clique in the abyss of ruin. Clear proof of this is that the swindler busied himself in giving a shot in the arm of the puppets, jabbering in his "lecture" at the "Inhae Institute" on December 18 that the U.S. "security commitments" to South Korea were "firm".

The wicked trick of the U.S. imperialists in sending such a servant as Brzezinski to encourage the puppets indicates that they keep themselves ready to cause another Kwangju incident to ensure the long-term office of the Chon Tu-hwan clique, their most faithful stooge.

U.S. REMARKS ON SOUTH KOREAN SECURITY ASSAILED

SK211243 Pyongyang Domestic Service in Korean 1150 GMT 20 Dec 86

[Commentary by station commentator Song Yong-il: "Under the Pretext of Security Commitment"]

[Text] Appearing in the Press Club in Washington on 19 December, John Monjo, senior assistant secretary of the State Department for East Asian and Pacific affairs, said that the cooperative relations in security between the United States and South Korea this year were more solid than ever before and that the U.S. commitment to the security of South Korea would continue to strengthen in 1987. Meanwhile, former U.S. presidential adviser for security affairs Brzezinski, who is on a visit to South Korea, babbled in a lecture on 18 December that the U.S. commitment to the security of South Korea is firm and strong. Of course, neither Monjo nor Brzezinski forgot to utter such shopworn, fabricated words as somebody else's armed southward invasion and (?challenge). This, which is nothing but an impudent utterance like the proverb which says that a crow can only caw no matter how much strains its voice, has once again exposed the aggressive and bellicose intentions of the U.S. imperialists.

What kind of security commitment the U.S. imperialists are babbling about is well expressed by what they have done so far this year under the pretext of security. Not only have the U.S. imperialists refused to accept our repeated (?peaceful) proposals put forward to ease tension every time they were announced, but they have also continued committing bellicose maneuvers exacerbating tension more recklessly. Such provocative war exercises for northward invasion as the "Team Spirit-86" joint military exercise in which some 200,000 troops and modern military equipment had been mobilized and mine-laying and mine-sweeping exercises in which the U.S. Strategic Air Command had participated -- war exercises that were launched in succession -- were the ones that exacerbated tension, not to mention such maneuvers to increase military forces, which have been pressed forward without constraint, as the decision by the puppets and the U.S. imperialists at the annual consultative meeting to drastically improve the fighting power of the U.S. troops occupying South Korea and the decision to fabricate the 7th U.S. Air Force Command occupying South Korea, and to deploy a battery of Lance missiles in South Korea for a real war.

The security that the U.S. imperialists babble about is a name for military buildup for (?aggressive purposes) and war preparations and nothing but security in colonial domination designed to jeopardize peace and stability on the Korean peninsula by maintaining South Korea as an aggressive military base.

Judging from this, the U.S. imperialists' babbling that they will continue to strengthen the commitment to the security of South Korea means to openly state that they will further threaten peace and stability on the Korean peninsula by accelerating military buildup and war preparations and by maintaining South Korea as a colony and military base. It is not because of the nonexistent provocation or threat of someone else, but because their colonial rule in South Korea is now faced with a serious crisis that the U.S. imperialists babble that they will strengthen their commitment to the security of South Korea.

The anti-U.S. and antipuppet struggle by the South Korean youths, students, and people, which has surged forward as a force that no force on earth can stop, has rocked the very foundation of the U.S. imperialists' colonial rule. Such a course is expected to continue to develop next year as well.

Under such circumstances, the U.S. imperialists are trying to bring the crisis facing their colonial rule under control by positively nudging and protecting the puppet Chon Tu-hwan clique, their faithful perpetrator, under the pretext of giving priority to security. The commitment pledged by the U.S. imperialists is also a pledge to prop up the puppet Chon Tu-hwan regime. Whenever their colonial rule was faced with crises in South Korea in the past, the U.S. imperialists propped up the fascist systems and managed to dodge crises by instigating them to the suppression of the people.

Brzezinski, who was the special presidential adviser at that time, is one of the murderers responsible for instigating the Chon Tu-hwan ring to the great massacre in Kwangju, arguing that the mobs in Kwangju should be subdued with iron fists. It is a postulate that the security babbled about by such a person means nothing but bloodstained security for fascist colonial rules. The U.S. imperialists are the enemy of peace and peaceful reunification and the ones who, standing behind the scenes, instigate the traitor Chon Tu-hwan to strangle the South Korean peoples' democratic freedom.

Through their practical experience acquired in their lives, the South Korean people have already penetrated through to the true color of the U.S. imperialists, the aggressors, warmongers, and predators, and are calling for the expulsion of the U.S. imperialists and the withdrawal of the U.S. troops at the top of their voices. If the U.S. imperialists remain ensconced in South Korea against the will of the South Korean people and pursue their aggressive goals, they will only meet the people's greater resentment amd protest. The U.S. imperialists should look squarely at reality, act judiciously, and leave South Korea without delay, taking along all the aggressive military forces.

O CHIN-U SENDS GREETINGS TO AFGHAN COUNTERPART

SK210811 Pyongyang KCNA in English 0758 GMT 21 Dec 86

[Text] Pyongyang December 21 (KCNA) -- Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Major General Muhammad Rafi upon his appointment as minister of national defence of the Democratic Republic of Afghanistan.

Expressing the belief that the friendly and cooperative relations between the peoples and armies of the two countries will grow stronger and develop as the days go by, the message wished the defence minister success in his responsible work to smash subversive acts and sabotages of the imperialists and the domestic reactionaries and defend the gains of the revolution.

O CHIN-U SENDS GREETINGS TO YUGOSLAV MINISTER

SK220459 Pyongyang KCNA in English 0453 GMT 22 Dec 86

[Text] Pyongyang December 22 (KCNA) -- Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Admiral Branko Mamula, federal secretary for national defence of the Socialist Federal Republic of Yugoslavia, on the 45th anniversary of the founding of the Yugoslav People's Army.

The message noted that the Yugoslav People's Army cleared its inviolable soil of the Hitler fascist occupationists by dealing a decisive blow to them and thereby won a brilliant victory in national liberation and has reliably guaranteed by the force of arms the revolutionary gains and the creative labor of people for socialist construction from imperialists' aggression and subversive activities.

We, the message said, wish the men and officers of the Yugoslav People's Army new success in their struggle for increasing the defence capabilities of the country in hearty response to the decisions of the 13th Congress of the League of Communists of Yugoslavia.

It expressed the belief that the friendly and cooperative relations between the peoples and armies of the two countries would grow in scope and develop in the struggle to build socialism, expand and develop the Non-Aligned Movement and defend world peace.

ROK '87 POLICY GOALS: 'ROAD LEADING TO DOWNFALL'

SK211054 Pyongyang Domestic Service in Korean 2150 GMT 19 Dec 86

[NODONG SINMUN 20 December commentary: "The Road Leading to Downfall"]

[Text] The puppet South Korean Administration has announced so-called policy goals for next year. Anyone can guess that the policy goals of the crumbling fascist military regime cannot be anything but security in power. The policy goals for next year, announced reportedly by the puppets, were not far from this expectation. Babbling about somebody else's maneuvers to frustrate the Seoul Olympics and ambitions for provocation, the Chon Tu-hwan ring placed stressed on strengthening national security. Emphasis has also been placed on the firm establishment of law and order under the pretext of student unrest, labor-management disputes, maneuvers of impure elements, and promotion of divisive public opinion.

The national security on which the puppets have placed stress means nothing but their own security in power now facing a crisis. The so-called firm establishment of law and order noisily clamored by the puppets also means to say that they will block the people's antigovernment advance by binding their hands and feet with fascist evil laws and cope with the advance by wielding bayonets.

Simply put, the puppets' policy goals for next year have only exposed their criminal design to keep the fascist military rule now facing a crisis functioning by imposing undeclared martial law over South Korea and by continuing and further strengthening the anticommunist confrontation commotions and anticommunist fascist whirlwind they have been committing under the pretext of the threat of southward invasion and social stability.

In retrospect, the Chon Tu-hwan ring has committed treacherous acts on countless occasions this year alone, babbling about security. By refusing to accept any of the affirmative initiatives we have put forward in succession for North-South dialogue, the relaxation of tension, and reunification and by kicking off confrontational and war commotions without interruption instead, the puppets have ruined the North-South dialogue and led the situation to the brink of war.

The puppets devoted themselves to the anticommunist confrontation commotions even by picking a fight with us over our peaceful construction and are still viciously engaged in them.

The puppets have also trampled underfoot the movement of the youths, students, people, opposition parties, and off-stage forces for independence, democracy, and reunification by wielding knives ruthlessly. To quell a peaceful united student sit-in struggle on the campus of a university, the puppets mobilized even aircraft and frustrated an opposition party's peaceful rally for the promotion of constitutional revision in favor of a direct presidential election system by mobilizing suppressive forces equivalent to nearly 10 divisions. What more do we need to say to describe their fascist suppression?

By announcing the strengthening of security and the firm establishment of law and order as policy goals, the Chon Tu-hwan ring has once again laid bare its true color as a group of filthy traitors and a group of democracy-stranglers. Public opinion at home and abroad now expects that a great political crisis will crop up in South Korea next year. This is not a groundless rumor. In connection with the expiration of his presidential office in 1988, traitor Chon Tu-hwan is now wriggling with all his force to lay a foundation for his long-term office. Under such circumstances, it is inevitable for the democratic forces that call for the resignation of the puppet traitor to respond to the Chon Tu-hwan ring's scheme with still stronger resistance.

Although the puppets are not attempting to embark on a path leading to long-term office under the pretext of guaranteeing a successful Olympic event, their schemes for the Olympics which will encourage North-South confrontation and impose more of a burden on the people will meet nothing but the rejection of the people.

The theory that the puppets will go through a crisis during the winter is now circulating among the South Korean people. The Chon Tu-hwan ring's policy goals, worked out against the backdrop of such a situation, are an expression of the deathbed frenzy of those on their last leg. It is also a revelation of a criminal attempt by those who are bent on realizing their ambitions for long-term office even if they will have to step on the dead bodies of the people to achieve this.

The puppets have also included in the policy goals the continuation of self-growth, renovation of science and technology, and preparations for the Olympics. However, it is ridiculous that those who are wriggling under the weight of the subordinate colonial economy which is [word indistinct] and who are unable to predict what will become of their power tomorrow due to the people's resistance and social anomie should babble about preparations for the Olympics.

Although dictators who were nearing their demise clung to knife-wielding rule without exception, their knife-wielding only hastened their downfall. The same will hold true for the Chon Tu-hwan ring. For the Chon Tu-hwan ring which has turned its back on the people there is no way out other than to step down from power.

PRC DEPUTY FOREIGN MINISTER ARRIVES IN VIENTIANE

BK201322 Vientiane Domestic Service in Lao 1200 GMT 20 Dec 86

[Text] At the invitation of the LPDR Ministry of Foreign Affairs, the delegation of the PRC Ministry of Foreign Affairs led by Deputy Foreign Minister Liu Shuqing arrived in Vientiane this evening to pay a visit to Laos. Khamphai Boupha, first deputy foreign minister, welcomed the delegation at Wattai Airport along with a number of officials concerned from the Foreign Ministry.

Ministers Meet

BK221001 Vientiane KPL in English 0903 GMT 22 Dec 86

[Text] Vientiane, December 22 (KPL) -- Delegations of the Foreign Ministries of the Lao PDR and the People's Republic of China met here today to discuss ways of improving and normalizing their bilaterial relations. The delegation of the Foreign Ministry of the Lao PDR was led by Khamphai Boupha, first-deputy-minister for foreign affairs, and the delegation of the Foreign Ministry of the People's Republic of China was led by Liu Shuqing, deputy-foreign-minister.

The Chinese delegation arrived here on December 20. It was welcomed at the airport by Khamphai Boupha, first deputy-minister for foreign affairs. Zhang Zhigue, charge d'affaires of the People's Republic of China to Laos, was also present.

COOPERATION COMMISSION TALKS HELD WITH USSR

BK191345 Vientiane KPL in English 0909 GMT 19 Dec 86

[Text] Vientiane, December 19 (KPL) -- The 8th session of the Lao-Soviet inter-governmental commission for economic, scientific and technical cooperation was held here yesterday.

The Lao delegation to the meeting was headed by Sali Vongkhamsao, vice-chairman of the Council of Ministers, chairman of the State Planning Committee and chairman of the Lao cooperation commission, and the Soviet delegation by V.K. Gusev, vice-chairman of the Council of Ministers, chairman of the Soviet Cooperation Commission.

At the session, the two sides reviewed their past activities and outlined a short and long-term cooperation plan aimed at promoting their effective bilateral relations.

In his address, S. Vongkhamsao recalled the good results of the Lao-Soviet all-round cooperation in the past. On behalf of the party, government and people of Laos, he expressed deep gratitude to the party, government and the people of the Soviet Union for their support to the Lao revolutionary cause, thus further enhancing the great friendship and all-round cooperation between Laos and the Soviet Union.

Nouhak Phoumsavan Meets Delegation

BK191349 Vientiane KPL in English 0902 GMT 19 Dec 86

[Text] Vientiane, December 19 (KPL) -- Nouhak Phoumsavan, first vice-chairman of the Council of Ministers of the Lao PDR, reaffirmed here yesterday the determination of the Lao party and state to follow their firm foreign policy for peace, against the nuclear threat, for the sake of the security of mankind in a discussion with the Soviet cooperation delegation led [by] Vladimir Kuzmich Gusev, which called on him yesterday.

Nouhak Phoumsavan, who is also member of the Political Bureau of the LPRP CC, cordially received the Soviet delegation led by V.K. Gusev, vice-chairman of the Council of Ministers of the USSR and president of the Soviet commission for economic, scientific and technical cooperation.

The head of the Soviet delegation on this occasion expressed his thanks to N. Phoumsavan for the hospitality given to his delegation. On the behalf of the CPSU CC and the Soviet Government, he conveyed his congratulations to the brilliant success of the Fourth Congress of the LPRP, he said that the success of the recent Lao party congress was a symbol of the long-standing tradition of unity and solidarity of the Lao party. It also reflected the determination of the entire party, army and people of Laos to fulfill their tasks in the new period of the revolution, he added.

V.K. Gusev also highly valued the brilliant achievements scored by the Lao people during the last 11 years.

On behalf of the Lao party, government and peple, N. Phoumsavan warmly welcomed the 8th session of the Lao-Soviet intergovernment commission for economic, scientific and technical cooperation which is going on in Vientiane. He said that this is a great event for the strengthening of the friendship, solidarity and all-round cooperation between the Lao PDR and the USSR.

The first vice-chairman of the Council of Ministers of the Lao PDR and his guest also shared the same view that the Lao-Soviet friendship and all-round cooperation have been tremendously strengthened.

Among those present at the meeting were Sali Vongkhamsao, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee and president of the Lao cooperation commission, and Soviet Ambassador Yuriy Mikheyev.

CHAWALIT INTERVIEWED ON CPM, CPT, CAMBODIA

BK140813 Bangkok First Army Division Radio in Thai 2300 GMT 8 Dec 86

[26 November interview with General Chawalit Yonchaiyut, Thai Army commander, by unidentified reporter at the Army meeting hall in Bangkok -- recorded]

[Excerpts] [Passage omitted] [Reporter] After your visit to Malaysia last month you disclosed that another major suppression campaign against the Communist Party of Malaya [CPM] guerrillas will be necessary. Can you tell us about the campaign, when and where it will be launched?

[Chawalit] Your information is a bit inaccurate. It would be wrong to say that another operation is needed; there will have to be several more operations. Thailand and Malaysia have the common goal of eliminating problems existing along their common border. In our discussions in Malaysia, we affirmed that our goal is to eliminate those problems. As for the campaign you asked about, Thailand will launch a new form of operation. In past operations, we used our forces on suppression missions based on intelligence, and they were pulled out after their missions had been completed. We feel that this type of operation does not completely solve the problem. So we have changed to a new operation in which our forces will be brought into the problem areas and remain there to develop them to deny them to the opposition -- the communists. This was what I discussed in Malaysia.

[Reporter] When will the operation begin?

[Chawalit] Soon.

[Reporter] Can you disclose the target areas?

[Chawalit] Basically, it will cover the whole Thai-Malaysian border area. Previously our emphasis was in Betong, but from now our operations will cover Betong as well as the eastern coast -- Narathiwat -- where we have not conducted an operation in some time.

[Reporter] Malaysia reportedly will cut down on the frequency and size of combined training exercises with foreign forces. Will this affect Thai-Malaysian training exercises, particularly in the suppression of the CPM?

[Chawalit] I don't think so. Combined Thai-Malaysian training exercises have continued for the last dozen years. Therefore, standing operating procedures have been established and understanding and the relationship between border unit commanders can only strengthen. For this reason, there will be no effect on combined training exercises that are targeted against the areas I mentioned despite Malaysia's need to reduce some combined training exercises. Do not forget, however, that the Malyasian defense minister's remarks only concern training exercises. Combined operations will remain at the same level as previously.

[Reporter] What are the benefits of Malaysia constructing a fence along the border?

[Chawalit] We must respect Malaysia's decision. We could only make our views known about the feelings that could be created by such a fence and its impact on both sides of the border. The discussions on this matter are between friends to explore alternatives to the fence or possibly improving existing measures. They are normal discussions. I want to stress that the fence project is Malaysia's idea. [passage omitted]

[Reporter] Please tell us about the Communist Party of Thailand [CPT] influence in the areas that it once controlled. Is the CPT trying to regain its influence there?

[Chawalit] I have been asked questions on this subject repeatedly and I will take this opportunity to clarify the point again. The Army is the principal agency in charge of security, and we cannot afford to fail in this duty. In this principal responsibility and duty, it is essential that we have mechanisms to gather accurate information.

The Army said in October 1978 that Vietnam would invade Cambodia and this proved to be true 3 months later. Many people ridiculed our assessment when we made it public then. People then said Cambodia would fall under total Vietnamese occupation in 6 months, an assessment I rejected. In 1982 the Army said we had won the war against the CPT, but you did not believe it. You criticized the Army for the huge number of communist defectors being allowewd to return to their homes. The Army protected these defectors and tried to persuade people that sincere defectors should be given a chance to live a normal life in society like other citizens. Now the Army is saying that we must beware of a revival of communist insurgency, and you are now viewing the Army with skepticism. I did not specifically say that the insurgency situation would or would not return. I merely warned that the conditions conducive for its return still exist.

To your question, you will see that we have not eliminated conditions for the insurgency's revival. These conditions include the behavior of some officials, which serves to aid the CPT, and we must be careful of these conditions. We must also watch what the CPT is doing; it is not staying still. It is trying very hard to become independent. It cannot win the war if it is subjugated to -- following in the footsteps of -- the CPC. We all know that the CPT made a mistake by doing that. So it is trying to become independent, which requires that it be self-reliant. To do this it must be able to support itself economically, and it is now very active in trying to achieve this.

We feel that the CPT's becoming independent will adversely affect Thailand because once independent, it will receive support from all sides. This is simple logic. This should answer the question of the need for us to be viligant, and I am not trying to concoct a communist threat. We all know that even if the CPT revives, it can never win. But why should we allow it to revive when it will result in untold damage to the country?

The conditions favoring the CPT that arise from the undesirable behavior of government officials still exist, but to a lesser extent than before. We must strive to eliminate such behavior altogether, which is not easy, as we all know. We used to call these conditions war conditions to highlight their seriousness, but we now call them social conditions.

In Thailand genuine war conditions do not exist. There are two categories of war conditions -- national conditions and democratic conditions. We have national independence -- full freedom, territorial integrity, and equal status with other countries of the world. Therefore, national conditions do not exist. As for democratic conditions, we do not have a fascist dictatorial administrative system. The term dictatorial system has been used loosely by many people, but it is in fact a constructive criticism that can lead to the administration system that the majority of the Thai people want -- the democratic system with the king as head of state. This is the most complete democratic system for Thailand, in which the Thai people have a part in its ownership and receive just benefits.

Genuine war conditions do not exist in Thailand. The CPT can try as hard as it can to create these conditions and never be successful and, therefore, it can never win in Thailand but can only cause extensive damage. [passage omitted]

[Reporter] The SRV and the Heng Samrin governments have claimed that Hills 537 and 538 near O Bok pass are in Cambodia, which Thailand has rejected. Could it be that Thailand and the SRV use different maps? Or does Vietnam intend to invade the area regardless its ownership?

[Chawalit] First I want to say that the Heng Samrin government does not exist because we do not recognize it. We do not have to respond to its claims. Our clarification of the hill's location serves only to inform our people. You can inspect the hill on foot and see that it is in our territory.

The hill is high and looks down on O Bok pass in Buriram. Occupying it would enable the occupiers to observe our movements, shell our territory, and harass our villagers, which Vietnam did occasionally in the past. Of late, however, Vietnamese soldiers have regularly shelled Thai villages, which is wrong. It is, therefore, necessary for us to gain complete control of the area. The intruding forces were small. We warned that they must leave and we will do everything to retake the hill completely. By completely, I mean that our forces will now remain on the hill to prevent the return of intruders.

A similar situation is now taking place in Ubon Ratchathani. We are trying to locate the intruders and definitely flush them out.

[Reporter] Can you elaborate on the situation in Ubon Ratchathani?

[Chawalit] Small units intruded into our territory and created problems for us, forcing Thai people in the area to leave their fertile land or injuring them. We cannot allow this to continue.

There was a clash 3-4 km inside our borders from the O Bok pass 2-3 days ago. This is wrong and we must prevent its recurrence even though it will require the use of many Thai soldiers because the area is remote and the terrain is difficult. Our policy is merely to safeguard our territory.

[Reporter] Some observers feel that the situation along the border this dry season will escalate. Do you agree?

[Chawalit] You will have noted that the current situation has been quieter than before. The SRV leaders have admitted that Vietnam has economic problems. Disputes also exist among Vietnamese leaders. The general picture is that the border situation is quiet. In the last dry season Vietnam was unable to launch a major offensive. But this is why we must watch closely to find out what Vietnam's eventual way out might be to solve the problem in Cambodia.

We feel that if Vietnam decides to do something to create an environment conducive either to its continued occupation of Cambodia or its withdrawal from there, it would be to reinforce its troops to launch a major operation. This is what the Army is watching for closely. There have been strange events in the field. Barbed wire and other barriers previously were placed along the border, but now these are being removed. We have to watch what they will do next. To answer your question, the situation may appear to be less violent in general but there are some indications that an escalation could occur. Our forces are ready to cope with any situation. [passage omitted]

COUP SUSPECT MANAT RUPKHACHON SAID IN BANGKOK

BK110742 Bangkok MATICHON SUT SUPDA in Thai 30 Nov 86 pp 8, 9

[Excerpt] "The Special Branch Division was 2 hours late; otherwise, he would have been arrested," an Army source said of an operation by the Special Branch Division on the night of 22 November to search a house at 61/90, Soi Phawana, or Lat Phrao Soi 41, to arrest Manat Rupkhachon, formerly Wing Commander Manat Rupkhachon -- a fugitive defendant in the 9 September 1985 coup case.

About 2 months ago a report from Germany to the Army information unit reported Manat's departure from Germany, where he had been running a Thai restaurant.

On the morning of 22 November, the Army intelligence unit reported to some government intelligence units, such as the National Intelligence Office and the Special Branch Division, that Manat Rupkhachon had appeared in Bangkok under tight protection from a group of men.

"He may have sneaked in through Kanchanaburi or Malaysia. We only knew that he was at that house. So, we reported it to the Speical Branch Division according to procedures," the source said. Although the arrest mission failed, efforts will continue to determine his whereabouts to arrest him. It is believed that that will be possible because of some initial clues. It will not be difficult to track down his new dwelling place.

Wing Commander Manat Rupkhachon was said to be a key figure in the 9 September 1985 coup attempt with his elder brother, Colonel Manun Rupkhachon. Manat was commander of the Air Force Security Force and brought about 100 armed men from his unit to join the coup.

After the defeat of the 9 September revolutionary party, Wing Commander Manat left the revolutionary party headquarters at Sanam Suapa with a group of his men in a car for the Thai-Burmese border to flee the country through Kanchanaburi Province. The latest news about Manat says that he is running a Thai restaurant in Dusseldorf, Germany. [passage omitted]

2 MAGAZINES WARNED ON 'NEWS ANALYSES' ARTICLES

BK160435 Bangkok THE NATION in English 16 Dec 86 p 3

[Text] Special Branch Division [SBD] police yesterday warned two weekly political-oriented magazines to refrain from publishing news analyses that might cause misunderstanding among senior government officials.

SBD Commander Police Major General Kasem Saenmit said he phoned the editors and publishers of the two magazines, SU ANAKHOT and ATHIT-KHLETLAP-KHAO PHISET yesterday and warned them to avoid running news or articles which could trigger misunderstanding as well as panic among people.

He said SU ANAKHOT magazine in its Dec 10-17 publication published an analytical piece, "Big Chiu-Prasong Sunsiri: Two Tigers in the Same Cave," and ATHIT-KHLETLAP-KHAO PHISET in its Dec 15-21 publication ran in "in-depth" analysis on "Big Chiu vs Prasong: Power Against Power."

The commander said the two analyses were written on the hypothetical basis which could mislead their readers.

Pol Maj Gen Kamem denied that the warning was made upon the request of the army. He added legal action would be taken against the two editors if they ignored the warning.

LAO OFFICIALS LINKED TO MARIJUANA GROWING

BK160431 Bangkok THE NATION in English 16 Dec 86 p 6

[Text] Local Laotian authorities are alleged to be supporting marijuana growing in some areas bordering Thailand and also collecting tax from the growers.

Pol Maj Gen Pongthon Tantiwatthana, commander of the Police Regional Zone 6, said Laos currently considers marijuana a cash crop and its local officials have been taxing growers at 100 baht per rai.

The police officer said frequent suppressions by Thai authorities in the northeastern region had caused marijuana growers to shift their activities to the neighbouring Laotian border areas opposite Nakhon Phanom, Mukdahan and Sakhon Nakhon provinces.

He said Thai growers sneaked into Laos to financially support marijuana growing by Laotian villagers.

Pongthon said he was informed by merchants who do trade across the border that Laos began to support marijuana growing along its border areas last year.

He said the climate in Laos is similar to that in the northeastern region and it can produce marijuana with almost the same quality as that grown in Thailand.

The commander said police established a task force, codenamed "Pathumwan 1," early this year to carry out an anti-marijuana campaign in the Northeast. The task force, he added, reports results of its operations to him every 20 days.

Pongthon said the marijuana, grown in Tha Uthen District of Nakhon Phanom, has the best quality compared to that from other regions.

Each rai of plantations can produce about a ton of marijuana, according to Pongthon. He said that dry marijuana can be sold at the price of 300 baht per kilogramme.

He said the growers usually plant about 400 marijuana tree on each rai and some of them secretly grow marijuana among other crops, such as corn.

In the process of drying marijuana, some growers also mix the plants with a pesticide chemical, known as Folidol E 605, in order to increase the effect of intoxication.

CPV CONGRESS POLITICAL REPORT CONTINUES

BK190715 Hanoi Domestic Service in Vietnamese 1230 GMT 16, 17, 19 Dec 86

[Continuation of the Political Report of the CPV Central Committee at the Sixth CPV Congress -- read by announcer]

[Text] Part II Basic Orientations of Socioeconomic Policies

Dear comrades:

We have the potential at hand to achieve the tasks and objectives defined for the initial stage of the transition period. In order to translate those potentials into reality, it is of prime importance to renovate the economic and social policies with the view to bringing into full play the role as masters and the zeal of the laboring people, creating a seething mass movement in carrying out simultaneously the revolution in relations of production, the scientific and technological revolution, and the ideological and cultural revolution.

Economic policies must be aimed at exploiting rapidly and effectively existing capabilities and potentials of the economy. These include about half of the equipment capacity which has not been utilized, the land with great possibility of intensive cultivation, the forests, the seas and other natural resources which have not been properly exploited, the abundant labor force, the under-utilized contingent of scientific and technical cadres, the possibility of saving energy and materials and of tapping all the capital resources for developing production. These productive forces have been handicapped by our errors and shortcomings in arranging the economic structure, in the socialist transformation, and in the management mechanism. Economic plans and policies must be governed by the following guiding principle: All existing productive capabilities must be liberated, all potentials of the country exploited, international assistance put to effective use with a view to developing vigorously the productive forces along with building and strengthening the socialist relations of production. This guiding principle is manifested in the following major policies and measures:

1. To rearrange the structure of production, to make major readjustments in the investment structure:

In order to bring the economy out of the state of disorder and imbalance, it is imperative to resolutely and decidedly rearrange the national economy in a rational structure in which various sectors, localities, economic components, productive forms of different dimensions and technical levels are to be arranged in a balanced and integrated manner suitable to the actual conditions, thus assuring stable developing of the economy. To that end, we must, first and foremost, rearrange the production structure and make major readjustments in the investment structure. In the remaining years of the initial stage, with the 1986-90 5-Year Plan in the immediate future, we must really concentrate to a high degree the country's human energy and material wealth on successfully implementing the three major comprehensive programs on grain and foodstuffs, consumer goods, and export goods, in order to reach, by the end of the initial stage, the follow targets:

-- With regard to grain and foodstuffs: To produce sufficient grain for the whole population and for reserves, and to meet in a stable manner the essential needs in foodstuffs. We must see to it that the consumption of grain and foodstuffs reaches a level which can assure reproduction of labor power.

-- In regard to consumer goods: To produce enough to meet the normal requirements for essential industrial products of the people both in urban and rural areas.

-- Regarding export goods: To turn out a number of main export items to reach a level of export revenues that can cover an important part of requirements for the import of materials, machinery, spare parts and necessities of life.

Those target programs have concretized the main content of the socialist industrialization of the initial stage which were defined at the party's fifth national congress.

The position of prime importance of agriculture is determined by the urgent requirements for grain, foodstuffs, production materials, for consumer goods, and export goods. We must take agriculture one step forward along the path of large-scale production, aiming primarily at augmenting the volume and percentage of agricultural commodities. Agriculture must get priority in acquiring investment for the building of its material and technical base, in supplies of materials, and in skilled labor. These investment resources must be put to effective use. Investment in agriculture must be undertaken in a uniform manner from production to processing, transportation, and storing so that more finished products will be turned out. We are to expand and complete the irrigation networks, and widely apply scientific achievements and technological advances, particularly in biotechnology; put new strains and breeds to widespread and stable use; meet fully and in time the requirements for fertilizers, pesticides, and veterinary medicines; increase draught power; provide sufficient ordinary and improved tools; effect the mechanization gradually and in selected areas; reduce the loss of agricultural products in harvesting, storing, transporting, and processing; and always stand on the alert against floods and storms.

The guideline for agricultural development is to combine specialization with overall development to achieve balance between cultivation and animal husbandry, rice and subsidiary crops, food crops and industrial crops. We should vigorously develop short-growth industrial crops. While increasing the acreage of perennial crops, we must attach importance to their quality and practice intensive cultivation right at the start. Intensive cultivation and crop multiplication are the main measures to be taken along with increasing the acreage under cultivation steadily and effectively. Policies on cultivated fields and other lands are to be revised and amended in order to manage and utilize the land resources effectively and in the most economical manner.

The development of forestry should be geared to the following guiding principle: to preserve and make effective use of forest resources, increase forest acreage, develop the afforestation of single-type woods in selected areas, speed up the tempo of regreening of bare and denuded hills in the agriculture-combined-with-forestry formula, prevent the destruction of forests and damage caused by forest fires, and widely spread the tree-planting campaigns with an eye to all varieties for timber, for new materials, and for firewood. We must take active steps in resettling nomadic people and allotting the lands and forests to collective units or to the people for long-term utilization so that they can be masters of the forests as they are of the cultivated fields. We must build forest-agricultural-industrial integrated economic zones, and exploit, preserve, process, and use timber and other forest products with ever higher economic efficiency.

Marine products and fresh-water and brackish-water aquatic products constitute an enormous economic resource. We should pay attention to both the catching and rearing of aquatic products while properly solving the problems of processing and transporting those products in order to meet the requirements of home consumption and increase rapidly the volume of exports. We must invest more and amend the related policies with a view to making the most of water surfaces suitable to aquatic product rearing. The water surfaces which are now under the control of state-run or collective enterprises and have not been fully utilized are to be lent out or allotted to the people on a contract basis for developing production.

Light industry, small industry, and handicrafts will by all means meet the people's requirements for ordinary commodities, satisfy the demand in processing agricultural, forest, and aquatic products, rapidly increase the volume of subcontracted products for export and other export goods, while widening the variety of products in order to meet the diversified demands of the consumers. We must fully exploit all sources of raw materials, make the best use of waste materials, and take advantage of material resources from abroad through subcontracts.

The development of light industry will be, first of all, based on the rearrangement of production and on in-depth and uniform investment so as to fully utilize the capacity of the equipment available at the existing installations with attention given to those installations having high capacity and high processing efficiency. It is necessary to utilize rationally the capacity of heavy industry and defense-oriented enterprises for production of consumer goods. Correct policies are needed for mobilizing the capital and technical resources of the people, as much as possible, including overseas Vietnamese, in order to develop material-producing enterprises as well as processing enterprises of various forms.

State-run economic enterprises are to be developed and consolidated in the areas that control production and circulation. Consumer goods production units must be closely linked to the market and fully in touch with the demand and taste of the consumers. Socialist trade organs must strive to play their role as the representatives of the consumers in placing orders and signing contracts with production units. It is advisable to invite tenders with a view to placing orders and supplying materials to production units capable of turning our products of high quality and at low costs, no matter whether they are state-owned or collective production units. Those production units doing bad business and failing to thrive must either change their production lines, reduce operation, or be closed down.

The development of heavy industry and the building of the infrastructure must be aimed at furthering the economic national defense objectives in the initial stage, and as practical conditions permit, prepare premises for economic development in the subsequent stage. Priority is to be given to developing energy industries such as electricity, coal, oil, and gas. The engineering industry of all ministries and localities must be rearranged and built into an integrated branch with specialization of production and gradual renewal of existing equipment. In the industries, producing materials and raw materials, attention should be given first of all to minerals and other types of raw materials for producing fertilizer, pesticide, and veterinary medicines. It is necessary to make full use of the existing capacity and build more small-sized installations for producing building materials, chemicals and metals.

With regard to heavy industrial products that must be turned out at home for developing agriculture and light industry, we must strive to organize the production on an appropriate scale and with feasible technology. As for those products which cannot be made or have not been produced sufficiently at home, we must import them through the use of revenues from exports. Agriculture and light industry must turn out products for export in order to meet their own requirements for imports and procure foreign currency for the state. The building of heavy industry establishments which exceed our practical conditions and capacities must be avoided, including those catering for agriculture and light industry.

With regard to the infrastructure, importance is to be attached to developing communications and transport. We must maintain, upgrade, homogenize, and improve the management of the existing facilities and put them to effective utilization.

Additional needed establishments should be built in a selective manner to ensure production and the circulation of goods, to serve the people's livelihood, and to prepare for the acceleration of industrialization. Priority must be given to developing water transport and communication, increasing the volume of railway transport, rearranging in a rational manner land transport, and developing air transport. Collective economic units and the people are encouraged to contribute their energy and capital to expanding the network of communication lines in rural and mountain areas and developing means of transport, particultarly rudimentary and semi-mechanized means of transport. We are to overcome the bottlenecks in the transportation of goods and take one step forward in improving people's travel conditions. It is necessary to raise the capacity, improve the quality of service, overcome the backwardness in communication and liaison, and modernize the equipment in areas where conditions permit.

Along with increasing power supply, a balanced national power grid is to be established. It is necessary to build and improve the network of water-supply and drainage and the sewerage system in cities and provincial towns.

Service industries should be developed. They include technical services and other activities in the service of production and the people's life.

Along the guidelines mentioned above, the three major target programs for the production of grain and foodstuffs, consumer goods, and export goods must be worked out promptly and put into effect in the 1986-90 plan as the central socioeconomic task of all sectors and of all levels.

These programs must be realistic and ensure a balance among the objectives, facilities, measures, and policies. With respect to each type of product, we must take into consideration all the factors of the program for recycling producton ranging from production conditions to processing, preservation, shipment, and consumption. We must uniformly deal with the technical problems, the organization of production, and the economic policies. In all the three programs, we must combine the economy with national defense, emphasize the distribution of production forces to various territorial divisions in order to develop the strengths of all regions in their relations of alliance and mutual support in accordance with the viewpoint of developing the economy of goods, expand trade in the country and with foreign countries, and overcome the tendency of self-production and self-sufficiency.

We must maintain a close combination among agriculture, forestry, fishery, industry, and handicrafts and artisan industry, and between production and circulation and service in each district, each province, and each economic zone. The economy in districts occupies the important position in the formulation and implementation of the three target programs. The guideline for building districts is not to create a heavy machinery of administrative and economic management but is to develop, consolidate, arrange, and integrate the various units of production and business pertaining to different economic elements in order to best exploit labor, land, forests, seas, trades and jobs in districts.

Following the guideline of reorganizing the economic structure, we must make major adjustments in the structure of state investment in capital construction in order to concentrate on the implementation of the above-mentioned target programs and ensure results. In determining the results of investment, attention must be paid to bhe requirements of spending less capital, creating many jobs, and putting the projects quickly into use. We must thoroughly examine all unfinished projects, including above-norm and below-norm ones, be they undertaken by the central government or local governments or by any branch, as well as those which have not yet been started, but for which agreements on the import of complete equipment from abroad have been signed.

We must resolutely slow down or halt the construction of projects which are not really urgently needed or those which cannot be put to effective use when completed, or considering the need for a general balance, priority must be given to other projects. It is imperative to concentrate on quickly and uniformly completing some of the targeted projects. Along with carefuly selecting new projects for construction, we should give priority to comprehensive and in-depth investment in the existing installations. Only when the existing facilities, even though enlarged, cannot meet the requirements, do we consider the construction of new projects. Even so, this must always be kept in line with and aimed at the defined orientation and targets, with mainly small-sized and medium-sized projects, making the best use of advanced techniques, ensuring fast construction and putting to use parts of the projects as soon as they are completed. This guiding principle should also govern the construction of scientific, technical, educational, health care and cultural establishments. Investment is to be allocated selectively so as to solve the housing problems for workers and state employees, providing for the reconditioning of existing residences while creating conditions for the people to build more residences both in the cities and in the countryside. Thorough preparations should be made for investment in economic development in the ensuring stage, particularly in projects that will overlap the stages.

Along with adjusting investment orientation and outlay, it is imperative to amand investment regulations and rules in order to heighten the responsibility in working out options and making decisions on investment plans, particularly with regard to major projects decided upon by the central government. We should avoid ratifying projects one by one, separating them from the common context. The investors' responsibility and material interests must be linked with the efficiency of the investment. We must strictly control all the state-owned capital construction projects, regardless of the sources of capital supply. The system of tenders for construction contracts is to be applied in accordance with the criteria for ensuring commpletion deadline and project quality, and lowering construction and assembly costs. In order to effect a definite turning point in arranging the production structure and investment portfolio we must renovate our ways of thinking and working and have the courage to admit erroneous decisions and change them, and to handle complicated cases with determination. All sectors, localities, and grass-roots units must be active and resolved to rearrange production and construction within their authority, together with the central level make a big readjustment in the production structure and investment portfolio on a nationwide scale, and resolutely wrest back the initiative in order to stabilize the socioeconomic situation.

2. To build and consolidate socialist production relations and utilize and transform the various economic components in a correct manner:

In order to develop production forces vigorously along with rearranging the production structure and investment portfolio in accordance with sectoral and territorial divisions we must correctly determine the structural composition of the economy. In our society, many able-bodied people are still unemployed or underemployed. The state sector's ability to absorb the abor force will still be limited in the coming years; nor is it possible to bring all those who engage in individual business into collectivized economic organizations within a short period of time. There are branches and trades which, if collectivized, are not likely to yield good results. While the financial resources of the state and collectivized enterprises are still limited, the idle capital at the disposal of the people is used mainly for consumption purposes or kept in reserve and spent on buying goods for hoarding purposes. Policies are needed to pave the way for the laboring people to create jobs by themselves, to stimulate everyone to invest their money in production and business, to practice thrift in consumption for the purpose of accumulation, and to expand reproduction on a nationwide scale.

Based on the assessment of the potentials, scattered yet very important, at the disposal of the people such as labor force, technology, capital, and the ability to create jobs, we advocate that together with developing the state-run and collectivized economies, increasing the state's centralized source of accumulation, and drawing capital from abroad, there should be policies for utilizing and transforming other economic components in a correct way. These policies would permit the use of various economic forms on the appropriate scales and technical levels in each link of the production process and circulation in order to fully exploit all capabilities of the various interconnected economic components, of which the state-run economy plays the leading role. This is a solution of strategic significance, helping to liberate and exploit all capabilities for developing production forces and building a rational economic structure. This solution results from the reality of our economy and is an application of the Leninist viewpoint of considering the multicomponent economy as a characteristic feature of the transition period. In our country these components are:

-- The socialist economy comprising the state-run and collectivized sectors, together with the family-run economic component closely linked to the latter;

-- Other economic components which comprise the small commodity production economy: handicraftsmen, individual peasants, and those engaged in private trade and services; the private capitalist economy; the state capitalist economy in various forms with state-private joint ventures being a high form; and the natural and self-subsistence economy of some ethnic minorities in the Central Highlands and in other mountainous regions.

In carrying out the policy of socialist transformation, we must base ourselves on the aforementioned characteristic feature so as to work out correct guidelines and measures.

According to the law of correspondence between production relations and the character and level of development of production forces, the process of socialist transformation must be undertaken with appropriate steps and forms. Practical experience has clearly shown that production forces are held back not only in the case of backward production relations but also when production relations are not developed in a coordinated manner, with certain factors far more advanced than the level of development of production forces. Our country's realistic situation requires that importance be attached to intermediate and transitional economic forms, from the lower to the higher level, from small to large scale. In each step of the socialist transformation process, it is imperative to accelerate the building of material and technical bases, to create new production forces, and on this basis continue to shape production relations into new and appropriate forms and scale so as to further develop production forces.

The socialist transformation and the building of new relations cover three aspects, namely, the building of a system of public ownership of the means of production, a socialist management system, and a socialist means of distribution. Though public ownership of the means of production constitutes the foundation of the new relations of production, once the management and distribution systems do not correspond to each other, even the economic organizations of the public ownership system, which are better equipped technically, would yield less efficiency. Building the new relations of production in all three aspects, providing them with a real socialist nature, and linking them with each step in the development of the production forces are great tasks which cannot be accomplished within a short period of time.

Over the past 10 years, it was recorded in the resolutions of both national congresses of the party that the task was basically to complete socialist transformation within the term of the congress, yet this task has not been accomplished. Reality has taught us a hard-to-learn lesson that we must not be hasty and act heedless of objective laws. Now it must be corrected as follows: It is a permanent and continuous task throughout the period of transition to socialism to step up socialist transformation with appropriate forms and steps, making the relations of production correspond to the character and level of production forces and always be a driving force for the development of production forces.

In the years to come, in order to carry out socialist transformation steadily and bring into play the positive effect of the multi-sector economic structure, the most important thing is to consolidate and develop the socialist economy, first of all enabling the state sector to really play the leading role and control the other economic sectors.

We must renovate the management mechanism, ensure the right to autonomy for state-run economic units, really shift to cost accounting and socialist enterprise, and restore discipline and order in economic activities. We must rearrange production, strengthen the material and technical bases, and step up the application of technical advances in order to increase labor productivity, quality, and efficiency. On this basis, we will stabilize and gradually increase the real wages of workers and state employees and augment capital accumulation for each enterprise and the state. The state economic sector takes the initiative in enhancing integration with the other sectors in order to channel those sectors into the orbit of socialism.

In order to consolidate the collective economy, we must enhance the organizational and management skills and strengthen the material and technical bases along with maintaining exchange and integration links with the state sector and the household economy, first and foremost in the sphere of materials supply and marketing of products. In agriculture, we should correctly handle the relation between the state, the state-run economy, and the cooperatives, and at the same time improve the internal management of the cooperatives, perfect the mode of fixing quotas of finished products for groups of producers and individual producers, and link the establishment of new relations of production and the building of the material and technical bases with the building of the new countryside. The production collectives in the south must be consolidated strictly in accordance with the criteria of the collective economy. Only when conditions are ripe can these production collectives be transformed into high-grade and large-scale cooperatives. This should not be done in haste.

The household economy, which plays an important role and has great potential, should be encouraged and assisted so that it can develop a close relationship of mutual aid with the state and collective economic sectors. As a matter of principle, after fulfilling their responsibilities and duties towards the state and the collective, families of workers, employees and cooperative members can, with their own labor, expand production or engage in business in various occupations in strict observance of the law and policies. The income of the household economy not only helps to improve the livelihood of the people, but also is a source of accumulation for extended reproduction.

The task of socialist transformation in the initial stage is that the socialist economy, with the state sector as the core, must play the decisive role in the national economy. Specifically, it must account for a large percentage both in production and circulation, prove its superiority, and exercise its control over the other sectors through economic integration.

With regard to the small commodity production economy, the state acknowledge the necessity of this economic sector in the transition period and will give it guidance and assistance in production and business, and in integration with the state and collective economies. People engaged in private undertakings should be motivated to take up the collective way of working on the basis of voluntariness and mutual benefit. Prejudice and discrimination against or harassment of those self-employed workers who are not yet willing to join collective economic organizations or who apply to withdraw from those organizations should be avoided.

With regard to small merchants, through various forms suitable to each trade on branch, we should arrange, transform, and employ them as a reserve force for the socialist trade, and assist the redundant labor force in the field of circulation to shift to production and service.

The state permits the petite bourgeoisie to use their capital, technnical, and management skills for organizing production or running businesses in certain branches or trades in manufacturing and service industries in areas where they are needed throughout the country. The scale and scope of activities of private capitalist economic installations are to be stipulated according to the trades and categories of commodity. The activities of the private capitalist economy are guided along the orbit of socialism in various forms of state capitalist economy through the control of the state and economic integration with the state and collective sectors. The state capitalist economy constitutes a transitional form which can be organized from lower to higher level, that is from the supply and sale agents, sub-contracting agents to joint ventures with the state.

In the field of circulation, private capitalism must be eliminated. With regard to certain traders of medium-size business, skillful in handling perishables, the state should engage them in state-private joint enterprise in order to utilize their skills in accordance with the law and policies.

So, the utilization of the small commodity production economy and the private capitalist economy is always linked with the process of socialist transformation of those sectors through various forms.

Once we have acknowledged the existence of the small commodity production economy and the private capitalist economy, it is natural that we should constantly combat the tendency of spontaneous capitalist development and the negative aspects in the economic activities of those sectors. By virtue of the law, policies, and the strength of the socialist economy, the state controls and regulates those economic sectors according to the motto: "utilizing them for transformation, and transforming them for better utilization."

Consistent policies concerning the various economic sectors should be revised, amended, and publicized. Stipulations of principle must be turned into laws so that concerned people may confidently and boldly engage in business undertakings. Prejudice and bias in the assessment and treatment of laboring people in the different economic sectors must be done away with. The state economic policies such as those concerning investment, taxation, and credit, favor the socialist economic sector. However, as far as the law is concerned, the principle of equality must be observed. Those who turn out material wealth and render useful services to society, fulfill their obligations, and abide by the law and policies are respected and entitled to enjoy incomes corresponding to the results of their legal labor and undertakings. Lazy and parasitic elements should be criticized and forced to work. Lawbreakers are to be punished according to the law. Anyone who violates economic contracts will be fined and must pay the damages. That is the consistent policy toward all citizens, regardless of the economic sectors they belong to.

This viewpoint must permeate all concrete policies, propaganda, education and cultural work so as to establish a correct way of thinking among the people, creating a favorable socio-psychological environment for the implementation of the policies and the transformation of the multi-sector economy.

3. To renovate the economic management mechanism:

The rearrangement of the economic structure must be accompanied by the renovation of the economic management mechanism.

The bureaucratic centralized management mechanism based on state subsidies, which has been in force for many years now, far from creating a driving force for development, has weakened the socialist economy, limited the utilization and transformation of the other economic sectors, put a brake on production, reduced labor productivity, product quality, and economic efficiency, put distribution and circulation in a state of chaos, and given rise to numerous negative manifestations in our society.

In that mechanism, the economy is managed mainly through administrative orders with a system of detailed, legally enforceable plans and quotas handed down from the higher levels. This is not in conformity with the principle of democratic centralism. Economic-administrative organs interfere deeply in production and business activities of grass-roots units but are in no way materially responsible for their won decisions. As a result, the grass-roots economic units have no right to autonomy nor are they held responsible for the results of their production and business.

That mechanism does not pay adequate attention to the commodity-money relationship and economic efficiency. This results in a management and planning style mainly based on relations of supply and delivery of materials and goods, realizing cost-accounting only for form's sake, divorcing responsibility and material interests from the efficiency of the utilization of capital, property, materials, and labor, and separating remuneration from the volume and quality of labor.

That mechanism has given rise to a cumbersome management apparatus with management cadres lacking in dynamism and business skills and indulging in a bureaucratic and authoritarian style of management.

The old mechanism is closely linked with an economic thinking based on over-simplified conceptions of socialism and characterized by subjectivism and voluntarism.

The guideline for renovating the economic management mechanism has been confirmed as follows: to abolish the bureaucratic centralized management based on state subsidies and to establish a new mechanism in conformity with the objective laws and with the development level of the economy.

Right after seizing power and getting hold of the key economic branches of the country, the socialist state is in a position to and must necessarily manage the national economy according to a unified plan. The plan is the number one characteristic of the economic management mechanism right from the beginning of the transition period.

The process of development from small-scale production to large-scale production in our country is the process of turning what is mainly a subsistence economy into a commodity economy. We are managing in a planned way a commodities manufacturing economy having the characteristics of the transition period. The full and correct use of the commodity-money relationship in planning the national economy is an objective necessity.

The correct use of the commodity-money relationship is the second characteristic of the new mechanism of economic management which we are building.

The use of the commodity-money relationship demands that production should be closely linked to the market, all economic activities should compare expenses and results, all economic organizations and units should themselves make up for the expenses and should gain profits to realize extended reproduction, that is, they should carry out accounting and socialist business.

The planning of the process of extended reproduction of commodities requires a comprehensive application of the system of laws which exerts an impact on the economy. In this system of laws, the fundamental economic law, together with other specific laws of socialism, has been bringing into ever fuller play its leading role, yet has been applied in a uniform way with the laws of commodity production, and especially with the laws of value and of supply and demand. Planning must always be closely linked with the correct use of economic levers. The economy must be managed mainly by economic methods which have as their driving force the harmonious combination of the interests of the whole society, the interests of the collective, and the personal interests of the working people. The income level of the collective and that of the worker must depend on labor results and economic efficiency.

The state-run and collective economic units are socialist commodity production units, therefore they have the right to autonomy in production, business, and finance. Labor collectives really play their role as masters in organizing and managing production and business.

All this leads to the need to decentralize economic planning and management on the principle of democratic centralism, on the basis of making a clear distinction between the function of the administrative economic management of the central and local state organs and the function of production-business management of the grass roots economic units.

Together with the correct determination of managerial tasks and functions of all levels and branches, we should renovate the organizational structure of the managerial machinery and cadre work, build a contingent of managers with good qualities and abilities to meet the need to renovate the management mechanism. The correct placement of the main responsible cadres in central and local economic managerial organs and in major economic establishments is a question of decisive significance to the building and functioning of the new management mechanism.

The essence of the new mechanism of economic management is the mechanism of planning in accordance with the procedures of economic accounting and socialist business and in conformity with the principle of democratic centralism.

The renovation of the management mechanism is a process of reforms having a profound revolutionary significance, a struggle between the old and the new, between the backward and the progressive. The struggle for renovation is not only held back by the force of habit, but also runs up against the privileges and prerogatives of some people who stick to the old mechanism. This is the struggle inside the party and the state organs, among comrades, and right within ourselves. There is the difficulty. The main obstacle we have to overcome now is conservatism in some people who want to return to the familiar old mechanism and who hesitate to solve problems which require prompt solution.

The main orientation and content of the renovation of the management mechanism have been determined. But what is more important and difficult is to find concrete economic forms, steps and contents for each phase of renovation work. As we lack experience, importance should be attached to the research, study, experimentation and summing up of practice. Manifestations of hastiness and simplism which find expression in the desire to complete renovation in a short period of time are not realistic.

In the course of renovating the economic management mechanism, the following questions of principle must be firmly grasped:

Realizing democratic centralism in economic management.

Bureaucratic centralism in management work is rampant, while disorganization and noncohesion in economic activities are also prevalent.

We must restore order and discipline in economic and social management. Because the management mechanism is fraught with bureaucratic centralism, the initiatives of the lower levels are held back and the efficiency of centralized management is reduced, which is the immediate cause leading to the state of disorder and indiscipline. We should not try to get over this chaotic state by returning to the old mechanism, but should be determined to implement the decentralization of management on the principle of democratic centralism.

The decentralization of management must ensure the right to mastery of the three levels: the right to make decisions at the central level -- including all the central branches -- over key fields of activity and over questions of strategic significance so as to ensure the balanced development of the whole economy; the right to initiative of localities in fulfilling their task of socioeconomic management on their territories; and the right to autonomy in production and business of grass-roots economic units and the role of mastery of labor collectives. In the division of labor and decentralization of management, responsibility must go hand in hand with rights, and duty must be closely linked to interests.

The urgent demand is to apply these principles in the fields of concrete management still beset with problems such as planning, management of materials and goods, export and import, foreign currency, investment in capital construction, finance, money, prices, labor, and wages.

The role played in economic management by the central and local state organs, in the final ayalysis, is to create conditions for economic establishments to operate effectively. The state must supervise and control enterprises and production and business units belonging to all economic sectors, by means of laws and economic policies and the policy of technological advances, rather than deeply interfere in production and the business operations of enterprises. The law sets some limits which the enterprises are not allowed to violate. The policies compel enterprises to have their own options on production and business which prove the most useful in accordance with the guidelines of state plans. It is necessary to lay down stipulations to ensure the unified inspection and supervision by the state over the whole range of activities of grass-roots units. Cases of covering up, deceit, and false accounting and reports must be punished.

The building of the system of autonomy in production and business at enterprises and the working people's collective mastery at the grassroots must continue to be amended through experimentation and practice.

On that basis, it is possible to clarify and correctly settle the functions, duty and decentralization of administrative-economic management from the central organs to localities and from provinces to districts.

The principle of democratic centralism in economic management demands a higher sense of discipline and strict obervance of the law. The guidance and direction from higher to lower levels, first of all from the central organs, must be in line with the resolutions of the party and the state and in accordance with the established functions, tasks, and rights. The lower levels must obey the higher levels while the higher levels must be responsible for their own decisions.

Renovation of planning:

Plans for the national economy in the coming years must ensure the implementation of guidelines for the rearrangement of the economy and the layout of production and the investment portfolio according to targeted programs. Balances in the plans are to be established from the grass roots and generalized from lower levels before being submitted to the central level for guidance and readjustment. Planning in branches and in territorial regions must be closely linked.

With the right to autonomy in production and business, all grass-roots economic units must take the initiative in maintaining contact with the demands of the market, exploiting all possibilities to develop production and business with the aim to realizing the targets and tasks of the state plans. Economic contracts among production and business units serve both as a basis for plan-making and the legal instrument to ensure the implementation of the plans. We should enhance the system of economic contracts and guarantee its efficiency by means of the state economic arbitration system.

The state uses economic levers both in direct and indirect planning to ensure the implementation of the guidelines and targets of national economic plans. The establishment of legally-binding plans should be confined only to a number of quotas absolutely necessary to ensure basic balances and commitments to foreign countries. We should strive step-by-step to build the state's reserve forces so as to take the initiative in handling unexpected cases in the process of implementing the plan.

The State Planning Commission and other central organs with the function of administrative-economic management, once released from routine work, must concentrate more on studying the socioeconomic strategy, on working out long- and medium-term plans, on ensuring the overall and balanced relations in the economy, and on executing economic policies and law. These are important factors contributing to gradually raising the quality of national economic planning.

To make good use of the economic levers:

In order to stimulate the development of production, reestablish order in the market and stabilize it, we must have policies for expanding the circulation of goods, putting an end to such practices as banning normal market activities and dividing the market according to administrative boundaries.

In a multi-sector economy like ours, alongside the circulation of goods operated by the socialist trade system, there exists a free market which includes direct selling and buying activities between producers and consumers among the population and the circulation and service activities of private business people in both urban and rural areas.

The state takes effective measures to transform and abolish private capitalist trade and severely punishes speculators and traffickers. Nevertheless, it is impossible to abolish private small trade simply by means of administrative fiat. We can only restrict private trade by making socialist trade outperform it. On the other hand, we should know how to utilize it in those domains where socialist trade is not in a position to fare well or is not necessary.

The experience of many localities and grass-roots units shows that socialist trade is fully capable of claiming a trade monopoly over essential commodities and controlling the market if it knows how to do business, apply mainly economic measures in combination with education and administrative measures, and attract the direct participation of the masses. Naturally, state-fun trade monopolizes the marketing of those commodities totally produced or imported by the state-run economic sector; and the state enforces administrative measures to ensure that monopoly. But even with regard to those supplies and goods, economic measures are also very important. If the pricing policy and the mode of trading are irrational, it will be impossible to prevent such goods from flowing to the free markets by devious routes.

As for products turned out by economic components other than the state-run sector, the principal measure which helps state-run economic organizations control marketable products is to adopt an appropriate pricing policy and mode of trading based on the principle of mutual agreement, mainly through economic contracts signed with the producers. Correct economic policies coupled with the investigation, detection, and punishment of speculators and smugglers constitute effective measures for eliminating the black market. The policy of putting a straitjacket on prices and creating difficulties for trading, together with such measures as banning or restricting the selling of goods by peasants and producers on the market, will only compel them to find ways to cope with the state's measures by either holding back the goods, secretly selling them to private traders, or cutting back on production. This will eventually lead to a drop in production, tension between supply and demand, and soaring prices. This situation would only create more conditions for private traders to increase their activities and weaken the worker-peasant alliance. The pricing policy must involve the combined application of various laws of which the law of value has a direct impact. Prices must correspond to the value of goods and, at the same time, with the purchasing power of money; and take into account the relationship between supply and demand. The requirements for income adjustment, guaranteeing social policies, and promoting socialist transformation must be met through the concerted enforcement of various measures, including pricing, and financial and credit levers. Using pricing as the only measure for meeting these requirements means that the prices of goods will continue to have little relationship to their value.

To stabilize prices the pricing policy must aim first of all at encouraging production establishments and all the laboring people to turn out more marketable goods, reduce production costs, and eagerly sell their products to the state. It is impossible to stabilize prices by rigidly maintaining them in disregard for the purchasing power of money, the relationship of supply and demand, and the fluctuation of price-forming factors. On the other hand, active measures should be taken to gradually do away with the spontaneous character of free market prices.

We must strive to apply the system of a single price, which is the commerical price. The single-price policy, closely linked with the mechanism of socialist business accounting, will have the effect of stimulating production and expanding the circulation of goods, and creating conditions for the socialist trade service to switch to business enterprise and seize control of the market. It will avoid creating artificial demand and effectively prevent the stealing and slipping out of goods.

In the present specific situation, in certain areas and at certain times where a few essential commodities are subject to strains between demand and supply, and to great fluctuations in price which the state does not have sufficient resources to curb, then the dual-price policy can be applied on a temporary basis in the purchase of farm produce and the retail sale of consumer goods.

To create conditions for the state-run trade to extricate itself from the predicament in which it finds it difficult to buy or sell, thus leaving a vacuum in the market, we should promptly set up a mechanism for fixing and correctly controlling prices.

The wage policy must meet the urgent demand that the real wages of wage-earners be ensured at a time when the fund of commodities controlled by the state is still insufficient and prices remain unstable.

It is essential that we should develop production, that the state should control the commodity fund as regards grain, foodstuffs, and other essential goods, apply an appropriate mode of selling to make sure that wage-earners can buy the needed commodities, and that the use of ratoin books should be restricted to the minimum.

The correct application of the principle of distribution according to labor calls for a radical reform of the wage system in such a way as to ensure the reproduction of labor power, do away with egalitarianism, step-by-step abolish the remaining subsidized part in the wage system, and apply the forms of remuneration closely linked to the results of labor and economic efficiency. These problems must be solved simultaneously with the application of the labor contracts system and the streamlining of the state administrative apparatus and the non-productive management apparatus of production and business organizations.

This must be realized steadily and step by step, in keeping with the possibility of achieving a balanced commodity-money relationship and the rate of increase in labor productivity.

The financial and monetary policy plays an important role in bringing economic activities under the business cost accounting mechanism, combating inflation, and stabilizing prices and the currency's purchasing power.

We must, step by step, work out and complete national financial policies in such a way as to ensure the right to financial autonomy of economic enterprises; stimulate strongly the state sector and other sectors to expand production with high labor productivity, product quality, and economic effectiveness in order to create ever-growing sources of accumulation for each unit and for the state; and to adjust and distribute the various sources of incomes in a rational manner with a view to achieving social justice and ensuring that the accumulation-consumption relationship corresponds with the socioeconomic objectives.

The various financial policies and regulations, primarily the tax policy, must be renovated. We must put an end to the state financing system through the budget, characterized by indiscriminate subsidies and funds allocated without being bound to material responsibility as regards the effectiveness of their utilization. We should avoid using the credit funds in ways that do not conform with the socialist business accounting approach and amend some regulations on social welfare that are beyond the actual possibilities of the economy. Financial regulations will take into account the policy of strict economy both in production and consumption.

The increasing budget deficit is the most important cause of inflation and soaring prices. To strive for a reduction of the deficit, hence a balance between revenue and expenditure, is the primary task of our financial work in the 1986-90 period. Alongside the fundamental permanent measures in the national financial policy, it is necessary to take extraordinary measures applied in a short period in order to increase revenue, reduce spending, thus restricting and ultimately putting an end to issuing money for budget expenditure.

The banks have an urgent taks, that of striving in coordination with the financial and other economic sectors, to reduce inflation, effect a rational readjustment of the amount of circulating money on the basis of accelerating the circulation of money, and widely apply various forms of noncash payments. This will actively contribute to reestablish the money-commodity balance, stabilize the currency's purchasing power, and satisfy the need for funds for the expansion of production and goods circulation.

Besides the task of controlling the money circulation of the state banks, it is necessary to set up a system of specialized banks doing business in credits and banking services and operating on the basis of economic cost accounting. Good service must be the basis upon which to exercise the function of supervision by monetary means over production and business activities, and authoritarianism must be combated. Collective credit organizations must be developed widely among the population and usury by private money-lenders must be prevented.

The policy of thrift must be properly assimilated in planning and in the use of economic levers. The main guideline for practicing thrift in every economic activity is to effect a vigorous shift to socialist business cost accounting and to link responsibility and material interests with the effectiveness of the utilization of property, capital, materials and labor. In the environment of business cost accounting, it is necessary to step up the application of scientific and technical advances, establish and apply economic-technical norms in order to reduce production costs. Along with economy of energy materials we should raise the utilization efficiency of equipment, and apply technical advances to maintaining and prolonging the life time of machines. To ensure the quality of products means to practice thrift both in production and consumption. Economic policies must be carried out in combination with administrative and educational measures in order to encourage production of high-quality goods, preventing the making of bad-quality ones and punishing the making of fake goods.

Everybody must be encouraged to practice thrift in consumption, save money for accumulation, and develop production in various forms. The policy of thrift in consumption must be aimed at encouraging the use of domestically manufactured goods, limiting the use of goods reserved for export, and preventing the import of luxury goods. The use of public money for feasting and gift-giving must be strictly prohibited. We must combat waste in the use of public property and facilities for daily life needs.

The process of renovating economic management poses multiple problems to be solved in order to bring the entire system of management policies, regulations, and rules, as well as the management apparatus, under the new mechanism. This reform of a revolutionary character must be carried out in a uniform manner, with cooperation between higher and lower levels and renovation of the managerial agencies and the mass movement.

The amendment and promulgation of management policies and regulations must be based on the realities and on the initiatives and experience gathered from various localities and grass-roots units, instead of being only the result of research done by a few cadres sitting in their offices.

In the immediate future, we shall take effective measures to curb inflation and the rate of price increases, thus easing the problems in the living conditions of wage earners. Only by so doing can we create the economic, social, and psychological premises for speeding up the process of reform. Through expeditious and firm steps, we must strive by 1990 to have basically established the new management mechanism; reorganized the management apparatus; and redistributed, trained, and upgraded a contingent of cadres capable of ensuring the smooth running of that mechanism.

4. To bring into full play the driving force of science and technology:

With the world rapidly moving into a new stage of the scientific-technological revolution and through the realities of our country, we see all the more clearly the urgent necessity of making science and technology really a great driving force for the socioeconomic development of the country.

The key position occupied by the scientific-technological revolution in the building of socialism must find its expression in life. On the basis of what have been accomplished, we should step up and complete the elaboration of a scientific-technological development strategy serving as a scientific ground for the socioeconomic development strategy and for defining the orientation of scientific and technological work.

The choice of orientation for the scientific-technological work must be in line with the choice of objectives and orientation for socioeconomic development. In the coming years we must select and rapidly put into wide application appropriate scientific and technological achievements with a view to serving, first of all, the three programs on grain and food, consumer goods, and export goods. In agriculture, biological and other scientific-technological achievements should be widely applied to fertilize the soil, rapidly increase productivity in cultivation and animal husbandry, raise the coefficient of utilization of the soil and reduce the deterioration and losses of grain and other agricultural products. In industry, construction, communications and transportation, scientific-technological activities should be geared to improving, renewing, and perfecting technologies, rationalizing production organization, renewing equipment, producing raw materials, materials, and spare parts, sharply reducing the consumption of materials, making full use of raw materials, and renewing and raising the quality of products, especially export goods.

We must apply a number of selected research subjects related to such modern scientific and technological branches as bio-engineering, new materials and technologies, electronics, and computer science. We must step up the work of economic survey and evaluation of the natural economic resources and natural, demographic, and socioeconomic conditions. We must also accelerate the work of strategic forecasting and study, carry out zoning work for programming purposes and for distribution of productive forces, establish economic and technical theories for major policies on socioeconomic development, and make the best use of and effectively preserve the ecological environment.

The natural sciences must step up research on subjects that can provide a scientific basis for the development of various technical branches and the selective application of modern scientific and technological achievements, thus defining the spearhead scientific and technological orientations.

We must take integrated and effective measures to overcome the slow progress in social sciences. The principal task of the social sciences in the coming years is to take an active part in the party's theoretical work, contribute to the elaboration of the programme for the socialist revolution in our country in the transition period, and shed light on a series of theoretical questions, especially in the field of economic and social management, on the basis of summing up the practical experience of our country and grasping promptly and with keenness the theoretical achievements of fraternal countries. Social sciences must become a sharp instrument for the renovation of conceptual and thinking methods and the formation of social consciousness and socialist personality.

The organic combination of social sciences, natural sciences, and technical sciences should be stepped up. Each economic development project must take into account all the economic, technical, social, and environmental aspects. Efforts should be concentrated on solving pressing scientific-technological problems with practical effectiveness.

The scientific and technical force should be reorganized, properly distributed, and put to effective use. Appropriate mechanisms, policies, and measures should be instituted in order to encourage and create favorable conditions for scientific and technical cadres to bring into play their creative labor and to work in production enterprises and economic zones where their presence is needed. The party and state will try to create favorable conditions for scientific and technical workers to work efficiently and make everyone contribute to the country by making inventions, rapidly applying scientific-technical advances to production, and studying to solve socioeconomic problems.

Scientific institutions should be organized and rationally distributed in various territorial regions on the principle of closely linking science and technology with production and life in order to use science and technology as a component part of social productive forces, and do away with overlapping, redundancy and fragmentation. On that principle, we shall bring a number of research institutions into specialized applied technology under the control of associated enterprises or big enterprises. Various forms of association between science and production should be expanded. Combined scientific-production organizations with appropriate form and scale are to be set up. The activity of centers for applying technical advances should be well organized. The test-production sections of scientific and technical research institutions are to be reinforced. The role of universities and vocational secondary schools is to be further promoted in carrying out research and development according to the principle of closely combining science, training, and production. A number of general scientific-technological centers for important economic zones will be established. Preparations should be made for the establishment of the Vietnam Academy of Sciences.

The level of investments in science and technology is to be augmented from different sources: state budget, self-established funds of production enterprises, concentrated fund of the branch, favored credits from the banks, and so forth. Importance should be attached to in-depth investment and good management in order to put to effective use the existing material and technical facilities of scientific-technological institutions.

We must broaden and enhance the effectiveness of international cooperation in science and technology. Through this cooperation, we should promptly grasp the scientific and technological achievement and avoid waste caused by research overlapping. Scientific and technical cooperation must be closely linked to economic cooperation. The policy of selective transfer of technology is to be worked out and implemented in combination with research and development in the country.

We must participate actively in the general program for scientific-technological advance in line with the priorities defined by the Council for Mutual Economic Assistance until the year 2000.

The promotion of the role of science and technology as a driving force depends to an important extent on the management mechanism. The economic management mechanism and the scientific-technological management mechanism call for and encourage the creation and wide application of achievements in science and technology in order to bring about practical results. We should widely apply the mode of contracting for research and development between scientific-technical organizations, production, and business ones. A number of research institutions on applied research and technical development will be gradually brought together under the economic cost accounting system. Those institutions have the right to autonomy and bear responsibility for their scientific-technical activity. The production and business enterprises will buy inventions which will be accounted for in the production costs. The various policies and measures on prices, profits, taxes, credits, wages, bonus, specialized funds, and so forth must help stimulate production and business enterprises to approach the scientific establishments, place orders with them, and use science and technology as a decisive factor for heightening the efficiency of production and business. The regulations on copyright and rewards for the creation and application of technological advances must be fully implemented. The State Scientific and Technological State Awards Council must work in a practical manner. It is necessary to build up and develop activities concerning industrial ownership, such as copyright, trademarks, and so forth.

We must intensify the activities on standardization, measurement, inspection, and control of product quality; link the producers' responsibility and interests with the quality of products; insure discipline in production according to standards and norms; step up the work of inspection, control, appraisal and certification of product quality; and institutionalize and strictly implement the regulations on technological authentication.

We must reinforce the system of economic, scientific, and technical information; enhance the capacity of ensuring information for the work of leadership and management and for research, development, and production activities; and create favorable conditions for receiving economic, scientific, and technical information from abroad.

The mass media must be developed vigorously and its quality improved both in content and in form. The work of maintaining archives must be well organized in order to ensure their safety and to use them effectively.

The scientific-technological revolution is the work of the masses. Our party pursues a policy of stepping up the mass movement to march into the field of science and technology. This policy stimulates initiative, encourages the propagation of scientific and technological knowledge, the summing up and broad application of advanced experience and models, and the mobilization of millions of people in scientific and technical activities through their creative labor.

Leading and managerial cadres at various levels have an important role and a great responsibility in ensuring the successful implementation of the task of scientific-technological development. The present level of responsible cadres is to be further improved to keep pace with the demand of the new steps of scientific-technological development.

5. Expand and heighten the effectiveness of external economic relations:

Whether the task of stabilizing and developing the economy in the initial stage as well as the cause of scientific and technological development and socialist industrialization in our country will be carried out rapidly or not depends to a great degree on the expansion and heightening of the effectiveness of our external economic relations.

If we want to combine the strength of the nation with that of the era, our country must participate in the international division of labor, primarily and principally by broadening the division of labor and all-round cooperation with the Soviet Union, Laos, and Cambodia, and with other countries in the socialist community. At the same time, we must broaden economic and scientific-technological relations with Third World countries, industrially advanced countries, international organizations, and private individuals abroad on the principle of equality and mutual benefit.

CEMA's comprehensive program of assistance and its cooperation with Vietnam to the year 2000 on preferential terms constitutes a great advantage for the development of our external economic relations, industrialization, and the building of a new economic structure in our country. We must, together with the fraternal CEMA members take part in building this program and fulfill our responsibility in its execution. The beginning of the radical improvement of CEMA's working, and the reform of the structure and focus of economic, scientific, and technological cooperation among CEMA members require us to renovate our management mechanism accordingly, especially in the field of external economic relations.

In the whole area of external economic relations, the most important task is to boost exports to meet the need for imports. With regard to the export program for the years ahead, we must calculate in a concrete and precise manner the economic efficiency of each product in order to select the most profitable for export, and determine the principal export products which have both great volume and good conditions for stability and development in terms of production and market. On that basis, we should develop integrated plans of investment, from raw materials to processing, maintenance and transport, while organizing production and circulation in a rational manner, renovating the management mechanism and using the economic lever policies in order to implement successfully the export program.

Agricultural, forestry, and fishing products occupy the most important place in the export structure of the coming years. We must rapidly increase the volume of products and increase processing capacity, while striving to lower production costs and raise the efficiency of foreign exchange earnings. We must strive to organize well the export of farm products to the eastern region of the Soviet Union, thus obtaining a stable and growing position on this market.

We should make full use of our abundant and skilled labor for the execution of sub-contracts signed with foreign countries for turning out handicraft products and some other consumer goods from ordinary to sophisticated levels, and exploit this great potential in our cooperation with the CEMA members.

We should step up the export of those minerals which have a reasonabale rate of foreign exchange earnings.

Priority must be given to fulfilling the commitments made to foreign countries and strictly implementing export contracts as regards quantity, quality, and delivery time. We must carry out these tasks on a priority basis, no matter what difficulties and obstacles we may face.

We should reinforce the discipline on delivery of export goods according to plan, and at the same time link the distribution of imported goods with the delivery of export goods, instead of distributing them in the state-subsidized and egalitarian way done up to now.

In order to do away with price inflation and competition in buying export goods, we should promulgate, along with administrative and organizational measures, a policy on export taxes, especially with regard to those items with a high foreign exchange earnings rate.

The import structure must be in line with and properly serve the reorganization of the production structure and the readjustment of the investment structure. It is necessary to promulgate a policy on import taxes in order to do away with irrational imports and prevent the import of luxury goods. We should determine correctly and promptly the prices for imported goods in order to avoid wasteful use and losses of goods and encourage the production and use of domestic substitutes for imported goods.

Import-export activities must be shifted vigorously to the socialist business cost accounting mechanism on the principle of the state's monopoly over foreign trade and the unified management by the central government of exports and imports according to plans, laws, and policies. A question of primary importance is the renovation of management of units producing and dealing in export goods. Besides the common regulations on the right of autonomy in production and business operations of grass-roots units, it is necessary to complement the policy of encouraging the production of export goods, in order to create conditions for export goods producing units to keep abreast with the needs, tastes, prices, and other business conditions on the world market. Those production units with a fairly large volume of exports are allowed to deal directly with foreign customers under the control of the Ministry of Foreign Trade.

We should rationally rearrange the import-export organizations, remove intermediary links and troublesome procedures, bring under unified management the export and import of important items, and do away with purchasing competition on the domestic market and buying and selling competition on foreign markets. Those business organizations assigned to unify export and import channels must operate in the mode of business enterprise, instead of in a bureaucratic and authoritarian way, pressurizing and causing troubles to people producing exports or needing imports. The accounting and division of profits gained from exports must be done in a fair and open manner so that the grass-roots units and localities realize it is more profitable to export through organized channels than to do it by themselves.

The Foreign Trade Bank, while assuming the unified management of foreign exchange, must guarantee the right of foreign exchange account owners to use such accounts in accordance with the state's policy. We should study the system of buying and selling foreign exchange through the Foreign Trade Bank to prepare conditions for the application of the system when the value of the domestic currency is stabilized. A mechanism for timely adjustment of the internal accounting rate on foreign exchange and and the non-market exchange rate, especially with regard to overseas remittances, must be applied in order to keep abreast of the actual situation. We should have policies aimed at encouraging overseas Vietnamese to send money and materials to the country instead of sending consumer goods.

Along with expanding imports and exports and securing financial aid and long-term loans, we should apply diversified forms in developing our external economic relations.

We should further broaden the all-round cooperative relations with the Soviet Union and other socialist countries, ranging from subcontracting and joint ventures to direct investment, further strengthen the relations of direct cooperation and association in production and science between our country's economic, scientific and technical organizations and their counterparts in the fraternal countries.

The policy of encouraging foreign investment in various forms is to be publicized, especially in those branches and enterprises for which high technology is needed and which produce goods for export. Along with the promulgation of the investment code, we should have policies and measures to create favorable conditions for foreigners and overseas Vietnamese to come to our country for business cooperation. Importance should be attached to organizing and encouraging overseas Vietnamese to contribute to national construction in various ways, including technical and capital investment, bringing into play their potential for helping broaden our cooperative relations with foreign countries, companies, and economic organizations.

We must step up scientific-technical cooperation and the training of cadres and skilled workers. The sending of labor and experts abroad to work on contracts must be well organized under many forms with attention paid to the form of project-based contracting for construction and various services. Our country's favorable conditions for the development of tourism should be promptly exploited through domestic investment and cooperation with foreign countries. International transport, shipping, and aircraft handling services are to be developed.

In our relations of special alliance with Laos and Cambodia in the fields of economy, science, and technology, we should attach importance to practical effectiveness, ensuring benefit and growth for the economies of all the three countries. We should promptly engage in the division of labor and cooperation in production and coordinated investment in those fields where conditions permit, while rapidly increasing the volume of goods and services exchanged among the three countries, and continuing to help Laos and Cambodia conduct basic survey and program zoning, and the training of cadres.

The broadening of external economic relations will give rise to complications, and we will have to take measures to curb and prevent negative phenomena, but that is no reason for shutting our doors. We should formulate plans for training and upgrading the moral and professional qualities of the contingent of cadres working in the field of external economic relations, including full-time specialized cadres and those working in production and business establishments having business relations with foreign countries.

Dear comrades: The following are some major guidelines and tasks of social policies: Social policies embrace all aspects of human life, including working and living conditions, education and culture, family relations, and the relations between different social classes and ethnic entities. The viewpoint of our party and state on the unity of economic and social policies should be fully reflected in realities. We should overcome all manifestations of slighting social policies, that is, slighting the human factor in socialist construction.

The level of economic development constitutes a material condition for the implementation of social policies. However, the social targets are the objectives of economic activities. Right in the framework of economic activities, social policies -- through their direct influence on the working people's labor productivity and the quality of products -- are an important factor for the development of production. For this reason, we should work out fundamental and long-term social policies and concretize the tasks and objectives suited to the demands and capabilities in the initial stage.

In bringing into full play the human factor and regarding serving the people as the highest objective for all activities, we should formulate plans for building the new social class structure, concretize and implement the policy on ethnic entities and the policy regarding freedom and belief.

While advancing toward radical abolition of the socioeconomic foundation of social inequity, we should carry out a firm struggle against all negative phenomena so that the principles of social justice and a healthy lifestyle can be affirmed in the daily life of our society.

1. To implement demographic planning and create employment for the working people:

Efforts should be made to reduce the annual population growth rate to 1.7 percent in 1990. The party, administration, and mass organizations at all levels should give close and regular guidance to the family planning movement, considering it a very important condition for raising the per capita national income and achieving the socioeconomic objectives.

Together with investing in the expansion of the technical network for birth control and family planning, we should pay special attention to educational and cultural measures aimed at helping change the psychology and practices of the people, first of all young men and women, about family planning. Efforts should be made bo guide the implementation of the law on marriage and family after its ratification by the National Assembly.

It is a primary socioeconomic task in the years ahead to provide jobs for the working people, first of all for young people and for those living in urban areas. Along with creating more jobs for the people, the state should formulate policies aimed at enabling the working people to secure their own employment. To this end, it should encourage the development of the family economy and exploit the potentials of other economic sectors, including the private capitalist economic sector. We should promulgate and implement the law on labor.

The orientation for solving the employment problem is to expand on-the-spot trades and occupations to employ a major part of the new and surplus labor force along with reallocating the labor force across the country. Attention should be paid to developing agriculture, handicrafts, small industry, services, and other areas of production, especially the production of goods for export and the manufacturing of goods through subcontracts with foreign countries.

We should expand labor cooperation with foreign countries in combination with vocational training for young people and the improvement of our specialists' professional standards. Attention should be paid to forming an appropriate structure of trade and occupations, selecting workers and cadres according to proper criteria, and closely supervising them organizationally and ideologically. Together with the host countries, we should take care of the material and cultural life of those Vietnamese working in foreign countries and properly organize their remitting money and goods to their families. Attention should be given to creating jobs for those who have returned home after working or studying in foreign countries.

We should step up campaigns to motivate nomadic people to settle down to a sedentary life and farm in mountainous regions, attaching this task to the work of economic zoning and building at district levels. We should supplement the policy toward the building of new economic zones and sedentary farming, and building the economic and social infrastructure in order to create favorable conditions for the new settlers to stabilize production and their life.

In the state sector, we should markedly reduce staff in the non-productive sector and administrative management, and shift them to production and service industries.

2. To realize social justice and a cultured lifestyle, ensure social safety, restore order and discipline in all aspects of social life.

We should ensure an adequate income for the laboring people according to their work efficiency. This will be instrumental in stimulating their zeal for labor. The legitimate interests of legal business transactions and services beneficial to society should be respected. Sources of ill-gotten income must be prevented and strictly dealt with. We should combine the strength of functional bodies with the struggle of the masses to severely punish law breakers regardless of their positions. Public criticism in the press is a legitimate right of all citizens and should be done in a well-regulated manner. We should ensure equality in the rights and obligations of all citizens and oppose all abuses of privileges and prerogatives.

We should build a life and work style in line with the law, restore order and discipline in all activities of the state and social activities, uphold the people's sense of awareness and self-respect in combination with the educational and administrative measures to be taken by social organizations and state bodies. Concern for the people and mutual respect should become an ethical criterion in all economic, cultural, and social activities, especially in services catering to the majority of the population.

3. To care for and satisfy the people's educational and cultural needs, protect and improve their health.

On the basis of boosting production to increase the national income, we should gradually expand the social consumption fund, enabling it to play an ever greater role in the development of education, public health, culture, and other areas of the people's welfare.

On education:

The objective of our education is to form and comprehensively develop the socialist personal character of the younger generation, and train a skilled labor force with a homogeneous set of trades and occupations suited to the demand for the social division of labor. Education, especially higher and vocational education, should directly contribute to the renovation of socioeconomic management. To this end, we should sum up our experience in implementing educational reform, make readjustments and improve its quality. The educational system is to be developed in a planned manner from preschool to higher education and postgraduate training to ensure the quality and efficiency of the training, and rationally organized to reflect the unified character of the educational process comprising various forms -- training and refresher courses, regular and irregular courses, fulltime and in-service courses. The objectives of each training course should be concretized into training programs and criteria for rating the results of training. We should improve the regime of examinations and the issuance of certificates, diplomas, and other academic degrees to ensure quality and fairness.

We should build the preschool education sector, raise the quality of education among preschool children, and build more kindergarten classrooms. We should eliminate the illiteracy still found in some localities, accomplish compulsory primary education among school-age children, make junior high school education universal in localities where conditions permit, and step by step secondary education with diversified forms.

The curriculum for general educational schools should comprise basic general knowledge, labor, general skills, general vocational guidance and job-training. We should step up education in mountainous regions and advocate the use of languages of ethnic groups alongside the national language.

Efforts should be made to expand and consolidate vocational schools and courses to train and foster skilled workers and develop job-training centers enrolling the youth and other working people. We should rearrange the network of universities and colleges, foster the contingent of leading professional cadres for different branches and services. Along with increasing the quality of professional and practical training adequate attention should be paid to political, ideological, ethical, and legal education, and education for physical strength and national defense. Teaching and learning should be combined with productive labor, scientific experimentation and research, and the application of technical advances. We should thoroughly prepare the young people to embark on their life of labor production and fighting, helping them to better understand and perform their civic duties.

The quality and proficiency of educational cadres and teachers should be regularly upgraded. We should pay attention to heightening their social status and taking care of their material and spiritual life. We should work out a reasonable policy on shcolarships for students at universities, secondary technical colleges, and vocational schools.

The program for educational development should be closely associated with the socioeconomic development plans in each locality and in the country as a whole. Adequate investment should be made in the educational sphere, primarily to ensure a sufficient supply of textbooks and school facilities for learning and teaching. Besides the state budget, we shoud clearly determine the contributions to be made by various branches and localities and economic and social organizations to the educational cause. International cooperation in the educational field should be utilized. Preparations are to be made for the promulgation of the law on education.

On cultural and literature and art activites;

The quality of the cultural, literary, and artistic work should be raised. Each cultural, literary and artistic activity should be marked by its social efficiency, its positive effect on the psychology and sentiments of the people in raising their socialist consciousness, and its aesthetic standards. Attention should be paid to meeting the healthy demands and taste of the people of various social strata and different age groups.

We must intensify mass cultural activities, making them a common paractice, especially among youths. We should overcome all manifestations of fanfare and formalism. We should build and better use the network of libraries, clubs, cultural houses, museums, and tradition houses from the central down to grass-roots levels, in differenct branches and localities. We should exercise close management control over the tasks of publishing and film-making and the distribution of books, newspapers, and films; develop the mass media and improve the quality of information to help the working people at grass-roots establishments in various regions acquaint themselves with the cultural and artistic values of the nation and the world as a whole; and acquire unversal and modern knowledge of science and technology. We should bring cultural and art activities to the mountainous regions and outlying rural areas. Due attention should be paid to applying national, modern, and simple architectural styles to projects and population centers.

We should improve the policies toward professional artists, granting adequate remuneration and encouraging creativity and the development of talents. Cooperation between state organs and associations of literary and art workers and other mass organizations should be promoted to develop the initiative and creativity of individuals and collectives of writers and artists, and keep them in close contact with the working masses. The state and people should join efforts to build the necessary material and technical bases for cultural and artistic activities, and to preserve and restore historical and cultural relics. We should complete the collection of the cultural and artistic assets of various ethnic groups across the country, encourage artistic research and experimentation, ensure the activities of art ensembles with an even higher quality, and prevent the tendency of commercialism and other negative phenomena.

We should oppose the vestiges of feudal, colonialist, and bourgeois cultures, frustrate the plots and moves by hostile forces to turn cultural and artistic activities into a means of sowing pessimism and a depraved lifestyle, and crack down on superstitions and other backward customs and practices.

On caring for, protecting and improving the people's health:

The people's health, the future of our nation, has always been a cause of concern for our party and state, and is the responsibility of all branches and mass organizations and also the responsibility and vital interest of each citizen.

On the basis of assimilating the viewpoints on preventive medicine, combining modern medicine with traditional medical practice, and carrying out the motto "Joint efforts of the state and the people," we should immediately focus on raising the quality of public health activities to achieve marked progress in the care of the people's health.

We should take active measures and enact appropriate policies to quickly consolidate the public health service network, especially in rural and urban districts and at grass-roots levels. We should launch a mass movement and mobilize the forces of all sectors to participate in preserving and cleaning up the environment and in preventing and combating epidemics and social and occupational diseases.

We should improve the quality and efficiency of medical checkups and treatments, intensively educate medical cadres and workers in the attitude and spirit of serving patients, step up scientific research work, carry out reform in the training and upgrading of medical cadres, and uncreasingly raise the standard of our medical science and health care. We should strive to make more investment in the public health service and give better care for the material and cultural lives of the contingent of medical cadres.

We should develop the production of pharamaceutical materials and products, and medical facilities and equipment, and expand the growing, processing and effective use of traditional medicines. We should institute policies on investment to form concentrated regions for growing medicinal plants and herbs, create sources of raw materials for the production of pharmaceutical products for domestic use and export, expand pharmacology, and build an antibiotic industry. We must strive to increase the capabilities for export to cover the import of what we cannot produce at home, and build the pharmaceutical industry. We should make better use of international cooperation and aid in the service of the people's health care.

Together with the public health service, sports and physical culture should contribute to restoring and improving the people's health.

We should broaden the masses' sports and physical training movements and raise their quality, step by step making physical exercises a daily routine for all people, especially the younger generation. The quality of physical education at schools should be heightened. The system of schools and classes for children showing an aptitude for sports is to be consolidated and expanded while developing the contingent of young athletes, selecting suitable sports, and concentrating efforts on improving records. Attention should be paid to educating socialist ethics and the spirit of sportsmanship among the athletes. We should strive to ensure the conditions for personnel, sciences, technology, material facilities, and especially the organization and management of sports and physical training work.

4. To promulgate social security policies:

Our country has just undergone a long struggle and at present we still have national defense and international duties to perform. The number of disabled soldiers, war veterans, and the families of fallen combatants is considerable. The number of retired cadres and workers is increasing.

We should step by step develop a socialist social security policy for the entire people according to the motto "Joint efforts of the state and people," expand and develop projects catering for social security, and establish diversified networks and forms of social security for those who have rendered meritorious services to the revolution and for those in distress. Policies and regulations concerning social security should be supplemented to make them compatible with the process of renovating the economic and social management mechanism.

We should correctly implement the system of retirement and better organize the social, health-care, and cultural and information service for pensioners. We should involve retired veteran revolutionary cadres, war veterans, and disabled soldiers in social, cultural, and political activities in appropriate forms suitable to their health conditions and their experience, especially their participation in educating and fostering the younger generation.

We should work out plans and take practical measures to draw those who are still physically fit for work to participate in production and service activities, and to train and employ disabled soldiers in suitable jobs. War invalids, children of fallen combatants and people who have fulfilled their military duties should be given priority in obtaining jobs and studying at schools and colleges.

We should attend to and take better care of disabled and sick soldiers, close relatives of fallen combatants, and old and helpless people who have rendered meritorious services to the revolution. Orphans and handicapped and old and helpless people should be taken care of.

As a unit of society, the family plays a very important role in building a new system, a new economy, and new men. The party, state, and mass organizations should work out guidelines and policies and institute measures of organization and implementation to build the new cultured family with a view to ensuring family happiness. The people's sense of awareness should be promoted in forming ethical and sentimental relations in each family, implementing family planning, better raising children, and building the material and cultural life of the family.

Housing is one of the fundamental issues in the socioeconomic policy of our state. We should adopt a comprehensive policy toward the housing problem and draw more investment from the state, collectives, and the people in the production of building materials and the construction of more dwelling houses. We should ensure a fair and equitable distribution of houses in the cities and provincial towns.

5. To correctly implement the class and ethnic policies:

The class policy, including the policy toward each class and the policy governing the relations among the interests of different classes, and the ethnic policy have always constituted an important part of our social policies.

In the period of transition, the old social class structure is being gradually replaced by the new one. This process should be unfolded in a planned manner and closely linked with the execution of the socioeconomic objectives and tasks.

We should take a correct and overall viewpoint and introduce effective policies and measures aimed at comprehensively building the working class, the collective peasantry, and the socialist intelligentsia, making the socio-political foundation of the new society ever firmer, ensuring and bringing into full play the superiority of the socialist forces in the struggle between the two paths. We should conduct basic surveys, secure reliable information on the social and class structure in the whole country as well as in each locality after more than 10 years of socialist transformation on the social and class structure in the whole country as well as in each locality after more than 10 years of socialist transformation and construction, and spot problems to be solved on the basis of the class policy.

Leaders at all echelons should follow with due attention and keen concern the opinions and aspirations of the masses with a view to readjusting and amending policies, especially on issues relating to the vital interests of each class and each social stratum.

To accelerate the three revolutions in regions of ethnic groups, we should intensify ethnological research and social surveys aimed at thoroughly understanding the specific differences between regions and ethnic minorities. On this basis, we should amend, formulate, and better implement the ethnic policy, and avoid cliches or wishful thinking leading to imposing inappropriate organizational forms on the process of economic, social, and cultural building and development in regions of ethnic minorities.

We should increase investment, concentrate greater efforts of all sectors and echelons, and encourage the spirit of self-reliance and self-support of the people of ethnic groups with a view to exploiting, protecting, and developing economic strongpoints in the regions inhabited by ethnic groups. We must step up the movement to settle nomadic people for a sedentary life and farming, and stabilize the life of people in highland and border areas and former revolutionary and resistance bases.

While promoting socioeconomic development in areas mainly inhabited by compatriots of various ethnic minority groups, we should fully implement the ethnic policy; ensure the development of the fine and close relations among ethnic groups in the spirit of unity, equality, mutual assistance, and collective mastery of society; combine economic development with social development; boost production; and look after the life of the people, including local people and those who have come from other regions in the country.

The program of moving people in lowland regions to highland areas with the aim of rearranging the social labor force on a national scale should embrace the plan for forming a new social class structure in regions inhabited by ethnic groups. We should take appropriate measures to involve local people of ethnic groups in the process of economic development in their capacity as truly equal masters of society.

The comprehensive development of each ethnic entity should be closely associated with the consolidation and development of the community of all ethnic groups in our country. Strengthening the sense of community and unity is a process that conforms to objective laws. This sense, however, should not contradict nor exclude the diversified and unique characteristics in the true identify of each ethnic entity. Ethnic feelings and psychology will reamin for a long time and are a sensitive area. To handle relations among ethnic groups, we should adopt a prudent policy toward issues relating to the interests of each ethnic group and the ethnic feelings of each person. We should oppose all manifestations of a big-ethnic group attitude and actions and of narrow-minded nationalism.

PART III International Tasks and Foreign Policy of Our Party and State [subhead]

A key factor in the law of the revolution in our times is the combination between the struggle of the people of each country and the common struggle of the world people. The victory of the revolution in each country is also a victory of the whole progressive mankind in the common struggle against imperialism and other reactionary forces.

The victory of our people in the anti-U.S. war of resistance for national salvation is a vivid expression of the combination of the strength of our nation with that of the revolutionary and progressive forces in the world. Today the revolutionary cause of our country enjoys even more favorable conditions for broadening international cooperation and winning international support.

In the years to come, the tasks of our party and state in the field of external affairs are to strive to combine the strength of our nation with that of the era, firmly maintain peace in Indochina, contribute actively to firmly safeguarding peace in Southeast Asia and the world, consolidate the special relationship between the three Indochinese countries, strengthen the relations of friendship and all-round cooperation with the Soviet Union and other countries in the socialist community, secure favorable international conditions for the cause of building socialism and defending the fatherland and, at the same time, make active contributions to the common struggle of the world people for peace, national independence, democracy, and socialism.

The diplomatic activities of our party and state must serve the struggle to defend the fatherland, maintain political security, defeat the enemy's multifaceted war of sabotage, and continue to fulfill our internationalist duty toward Cambodia and Laos. We should secure new favorable conditions in economic and scientific-technological cooperation, participate in an increasingly widespread manner in the division of labor and cooperation within CEMA and, at the same time, strive to expand our relations with other countries.

To strengthen solidarity and all-round cooperation with the Soviet Union is always the cornerstone of the foreign policy of our party and state. The Soviet Union -- the fatherland of the great Lenin and the homeland of the October Revolution of which we shall celebrate the 70th anniversary next year -- is the most radiant symbol of the strength and superiority of socialism and socialist internationalism. Our party, once again, expesses its total support for the domestic and foreign policies approved by the 27th CPSU Congress and for the CPSU's newly-revised program of activity, considering it a model of the creative application of Marxist-Leninist doctrine. On the basis of the Vietnam-Soviet Union Treaty of Friendship and Cooperation, we are making every effort to constantly raise the quality and effectiveness of all-round cooperation in the interests of the two countries and, at the same time, to step up the coordination of our actions with the Soviet Union and the other fraternal socialist countries in the struggle for peace and revolution in the world, first of all in the Asia-Pacific region.

The high-level meetings of party and state leaders of Vietnam and the Soviet Union, among them the recent 11th meeting between Comrade General Secretary Truong Chinh and Comrade General Secretary Gorbachev, have demonstrated the high unity of views between the two parties and states and marked the incessant development of the fraternal solidarity and all-round cooperation between our country and the Soviet Union.

Our party is deeply conscious of the fact that developing and consolidating the special relationship between the three Indochinese countries, unity and mutual respect for each country's independence and sovereignty, all-round cooperation, and mutual assistance in carrying out national construction and defense constitute a law governing the survival and development of all the three fraternal nations. Through practical and effective measures, we strive to develop the relations between our country and Laos and Cambodia, making each country and all the three countries ever stronger, foiling the enemy's divisive schemes and maneuvers. Vietnam is invariably true to its internationalist duty toward the Lao and Cambodian revolutions. We regard every success scored in the cause of national construction and defense of the two fraternal countries as our own, and each success of ours as inseparable from the solidarity, support, and assistance accorded by the parties, states, and peoples of the two fraternal countries.

We continue to strengthen our relations of friendship and cooperation with the CEMA member countries: Poland, Bulgaria, Cuba, GDR, Hungary, Mongolia, Romania, and Czechoslovakia. We are also broadening our relations with other fraternal socialist countries such as Albania and Korea.

The meeting of the general secretaries and first secretaries of the parties and CEMA member countries recently held in Moscow marked a new step in raising the level of cooperation among the socialist countries in all fields, especially the economic field, serving the cause of accelerating the progress of fraternal countries. We particularly rejoice at the fact that the leaders of the fraternal countries were unanimous on the necessity to set forth a program for heightening the effectiveness of CEMA's cooperation with and assistance for Vietnam, Cuba, and Mongolia in conformity with the characteristics of each country. Our country is doing its utmost to contribute to raising the effectiveness of the economic, scientific, and technological cooperation in CEMA, and coordinate efforts with the fraternal countries in consolidating unity, augmenting strength, and promoting the influence of the socialist community. We are participating positively in the program of cooperation on scientific and technological advances among CEMA member countries. With a spirit of self-reliance and socialist internationalism, our people are determined to do their best to use all the potentials of the country in the cause of national construction and defense and, at the same time, for the fulfillment of their duty and commitments for the consolidation and strengthening of the common force of the socialist community.

As a detachment of the international communist and workers movement, our party contributes positively to strengthening the unity of the movement on the basis of Marxism-Leninism and proletarian internationalism and stepping up the cooperation between fraternal parties in the struggle for the common objectives, namely peace, national independence, democracy, and socialism.

We consistently and positively support the movement of struggle for national liberation and independence and condemn the policy that the imperialist circles, first and foremost the U.S. imperialists, are carrying out against young independent countries in an attempt to wipe out the revolutionary gains of those countries. We stand for solidarity with the national liberation movements and the forces of national independence and social progress in the struggle to defend the sovereignty of each country and the right to equality between countries, for a new world economic order, to oppose all forms of colonialism, racism, apartheid, and Zionism.

We extend our strong support for and uphold our solidarity and cooperation with the independent countries which have chosen the path of socialism.

As a member of the Nonaligned Movement, we rejoice to see the growth and the ever-greater role played by the movement in international political life, including the important contributions rendered by the Republic of Cuba and the Republic of India -- chairpersons of the movement in the recent very difficult period from the sixth to the seventh summit conferences. We express total approval of the nobel objectives, namely peace, disarmament, and national independence set forth by the Eighth Summit Conference of the Nonaligned Movement and are determined to make a worthy contribution to the new step of development of the movement.

We strongly support the heroic struggle waged by the working class and people in the developed capitalist countries against the oppression and exploitation by monopoly capitalism, against the nuclear arms race, and for peace, democracy, employment, and improvement of the standards of living. We support the fraternal communist and workers parties' policy of uniting and rallying all democratic and progressive forces.

Our party and state support the policy of the Soviet Union and the European socialist countries aimed at building a lasting peace and security in Europe on the basis of respect for the territorial-political status quo that has taken shape since the end of World War II. This policy has found its expression in life in the spirit of the Helsinki and Stockholm conferences and has contributed to the development of good-neighborly relations and peaceful cooperation among countries with different socioeconomic systems in Europe.

As a nation that has endured untold sacrifices in the protracted struggle for independence and freedom, we deeply symphathize with and express our militant solidarity and strong support for the African people, especially the people of the countries in southern Africa who are waging a staunch struggle against imperialism, colonialism, racism, and apartheid. We always stand by the side of the people of Angola, Ethiopia, and Mozambique in their struggle to safeguard their independence and to build a new life. The struggle of the South African people under the leadership of the African National Congress against the South African dictatorial regime; the struggle of the Namibian people under the leadership of the South-West African People's Organization for the return of their independence; and the struggle of the people of the frontline countries in Africa against the apartheid regime of South Africa will certainly be victorious. We support the efforts of Zimbabwe, a young African frontline country which is assuming the chairmanship of the Nonaligned Movement and making an active contribution to resolving the burning issues of Africa.

We stand in close solidarity with the people of fraternal Algeria and the People's Democratic Republic of Yemen who are building their new life. We support the struggle of the people of Sahrawi to consolidate and complete their independence. We demand that the United States and other imperialist countries give up their scheme of economic blockade and their acts against Libya and Syria. We vehemently condemn Israel for its continued occupation of part of Lebanese territory and resolutely support the struggle of the Palestinian people, of whom the PLO is the representative, for their sacred fundamental national rights. We firmly support the people of other Arab countries against Israeli Zionism backed by the United States.

The communists and people of our country greatly rejoice at the brilliant victories scored by the Cuban people in the cause of building socialism and defending their homeland; by heroic Nicaragua which, seething with fighting spirit, is defending its revolutionary gains; and by the Salvadoran people in their undaunted struggle under the leadership of the Farabundo Marti National Liberation Front against U.S. imperialist intervention and the fascist dictatorial regime.

Our party and state perseveringly pursue a foreign policy of peace and friendship. We stand for and support the policy of peaceful coexistence between countries with different sociopolitical systems, the elimination of aggression and all forms of terrorism, especially state terrorism regarded by U.S. imperialism as its national policy. We support the tireless efforts of the Soviet Union to eliminate nuclear weapons and to establish a commprehensive international security system on the military, political, economic, and social domains. We demand that the United States assume a serious attitude in its relations with the Soviet Union and hold discussions with the latter to work out concrete and practical measures aimed at ending the arms race, firstly to end nuclear weapons tests. We lay bare the obstinate attitude of the United States, which still refuses to give up its arms race both on earth and in space, thereby aggravating tension in international relations.

In the present situation of Asia which is developing in a complicated manner as a result of the formation by the United States of a NATO-type military alliance in the Orient, our party, government, and people highly value and totally support the comprehensive plan for peace in Asia and the Pacific set forth by Comrade General Secretary of the CPSU Central Committee Gorbachev in Vladivostok.

Our party and state highly appreciate the solidarity and multifaceted cooperation between the Soviet Union and the Republic of India of which a new, good step of development was marked by the visit of Comrade General Secretary Gorbachev to India last November. This consttutes a very important factor for the cause of peace in Asia and the world. We welcome the New Delhi statement, an important document which embodies the will and aspirations of all mankind in the struggle for a world free from nuclear weapons and from violence in international relations.

We support the Soviet Union's policy of normalizing relations with China; support the initiative of Mongolia on proceeding toward a treaty of nonuse of force and nonthreat to use force among countries in the region; support the efforts aimed at turning the Indian Ocean into a zone of peace and the intiatives aimed at establishing nuclear free zones in Southeast Asia; support the national independence and denuclearization movement of the South Pacific countries and on the Korean peninsula; support the initiatives of the DPRK aimed at reducing tension and proceeding toward unifying the two parts of the country by peaceful and democratic means; and support the firm measures taken by Afghanistan to counter the undeclared war waged by imperialist forces and their henchmen.

Our people highly value the Soviet Union's goodwilled stand as evidenced by its decision to partially withdraw and advance toward a complete withdrawal of Soviet Army units from Afghanistan when a political solution is reached to guarantee a permament end to the armed intervention from outside against that country.

We wish to see an early end to the armed conflict between Iran and Iraq.

We incessantly strengthen and broaden the relations of friendship and cooperation with the Republic of India, a country occupying a specially important position in Asia and the world, and a great friend who has always reserved for our people fine sentiments and whole-hearted support and assistance.

The Vietnamese people and the Chinese people have had age-old friendly relations and have united and assisted each other in the struggle against imperialism for independence, freedom, and national construction. The peoples of the two countries share common interests, namely peace, independence, and economic development. The Vietnamese Government and people invariably treasure friendship between the two peoples and resolve to do their best to restore it; and have put forth many proposals aimed at early normalization of relations between our country and the PRC. Our position is to set great store by the fundamental and long-term interests of the two countries. We hold that the time has come for the two sides to enter into negotiations to solve both the immediate and long-term problems in the relations between the two countries.

Once again, we officially declare that Vietnam is ready to negotiate with China at any time, at any level, and in any place in order to normalize relations between the two countries in the interests of the two peoples and of peace in Southeast Asia and the rest of the world.

We welcome the fair and rational decision of the LPDR Government aimed at normalizing relations with the PRC on the basis of mutual respect for independence, sovereignty, and territorial integrity, nonaggression, noninterference in each other's internal affairs, and peaceful coexistence. We fully agree with the Lao Government's readiness to do its best to create favorable conditions for strengthening mutual understanding and trust with the Kingdom of Thailand, first of all for the resumption of negotiations with that country so as to normalize bilateral relations.

We totally support the PRK's stand of readiness to negotiate with opposition individuals and groups to realize national concord on the basis of excluding the Pol Pot clique of genocidal criminals. Our government stands for the continued withdrawal of Vietnamese Army volunteers from Cambodia and at the same time, is ready to cooperate with all parties concerned so as to proceed toward a correct political solution in Cambodia.

The Vietnamese Government and people constantly strive to develop friendly relations and cooperation with Indonesia and other Southeast Asian countries. We desire and stand ready to hold negotiations with countries in the region in order to solve the problems in Southeast Asia, establish relations of peaceful coexistence, and build Southeast Asia into a zone of peace, stability, and cooperation. Our state advocates strengthening and broadening friendly relations with Sweden, Finland, France, Australia, Japan, and other Western countries on the basis of equality and mutual benefit. Our government continues to hold talks with the United States to solve humanitarian problems left by the war and is ready to improve relations with the United States in the interest of peace and stability in Southeast Asia.

True to Marxism-Leninism and imbued with great President Ho Chi Minh's pure revolutionary thoughts and sentiments, our party continues holding high the banner of peace, national independence, and socialism, harmoniously combining genuine patriotism with proletarian internationalism, firmly maintaining independence and sovereignty, strengthening international cooperation, and striving to fulfill national tasks and satisfactorily discharge internationalist duty toward the world peoples.

Part IV Developing the Laboring People's Right to Collective Mastery and Enhancing the Management Efficiency of the Socialist State [subhead]

The lesson that revolution is the work of the masses is always important. Revolutionary practice has demonstrated that a revolutionary movement will emerge wherever the laboring people are imbued with a sense of mastery and entitled to genuine mastery.

In applying this lesson to a new stage of the revolution, our people considers socialist collective mastery to be the essense of the socialist democratic system, which should be reflected in every aspect of life. We have defined the relationship of leadership by the party, mastery by the people, and management by the state into an overall mechanism in the management of the entire society. The achievements recorded in the undertaking to build socialism and defend the fatherland have testified to our people's profound patriotism, devotion to socialism, great energy, endurance through hardship, industrious and creative labor, and courage in fighting; and to the efforts made by the party and state machineries in discharging their functions.

Beside these fine manifestations, there exist in our society abnormal phenomena -- the lack of a close bond between the party, the state, and the people; bureaucracy in the leading and management organs and in those ogranizations specially entrusted with mass work. The main cause for this is that the mechanism for coordinating the activities of the party, the people, and the state has not yet been concretized into institution.

Together with the consequences left by the old mechanism of economic management, manifestations of bureaucratism in the attitude and workstyle of leading cadres at various levels and in various sectors, including economic and administrative units at the grass-roots, have not yet been criticized and done away with. A number of party cadres and members, especially those having positions and powers, forgetful of the months and years when they shared weal and woe with the people during the war of liberation, stayed aloof from the people and did not show any concern for resolving the pressing problems raised by the masses.

Some party committee echelons took mass work slightly and did not rely on the people to guide and control basic party organizations. Not a few administrative bodies did not respect the opinions of the people and were used only to enforce administrative measures instead of carrying out mass proselytizing work. The party has not yet brought into play the role and functions of mass organizations in educating the masses and motivating them to participate in socioeconomic management. The mass organizations have yet to positively renovate their mode of operation to suit their character.

The whole party from the leading comrades down to every party member, must be imbued with Uncle Ho's teaching: Our party represents the common interest of the working class and the entire laboring people instead of striving for the particular interests of any group or individual. A sense of serving the people should be permeated in every activity conducted by party cadres and members and state employees. That is the primary criterion by which to judge each person's qualities.

The people's right to mastery should be institutionalized by law and organization. Democracy must go hand in hand with discipline; so must rights and interests with responsibilities and obligations. Everyone must master their own labor and work with discipline and high efficiency in order to make worthy contributions to the cause of national construction. Every citizen must take part in maintaining security, order, and social safety; opposing the enemy's sabotage; and defending the fatherland, which should be regarded as their sacred obligations and noble rights.

The objectives set forth by the party congress can only be achieved through creative revolutionary actions by millions of people. The party and state should adopt a policy aimed at building the contingent of the working class, the collective peasantry, and the socialist intelligentsia; consolidating the worker-peasant alliance; and caring for the education of the younger generation.

Concerning the working class, the party should work out concrete measures to raise its socialist consciousness and understanding in all aspects, making it worthy of its role as the vanguard class of the revolution. At the same time, the party must cater to its material and cultural life and create necessary conditions for the working class to fulfill its historical mission.

Management is not only the work of professional managerial cadres, but it is the people's undertaking as well. There should be, therefore, participation by the masses in the management of state organs -- either administrative or production and business -- and the management of law and order. Right at the moment when an option or policy is elaborated and decided on, the leading and managerial organs must think about and correctly give full play to the people's role in socioeconomic management. It is necessary to eliminate the erroneous view that mass work is only a measure to organize and motivate the people to implement various positions and policies. Concerning those policies directly related to the people's life throughout the country as well as in various localities and grass-roots units, the party committees or administrative organs must organize the consultations with the people before making any decisions. Let the people know, discuss, carry out, and inspect policies -- this is a daily practice of the new society which manifests the system that ensures the working people's right to manage state affairs by themselves.

It is necessary to encourage wide and constant participation by the masses in renovating the mechanism of economic management. The collectives of working people have the right and duty to take part in formulating production and business plans, in the disposition of the work force, in the selection of managerial cadres, and in the inspection and supervision of activities of the managerial organs. The party committees must play a leading role in organizing congresses of workers and employees in enterprises and offices and congresses of members of agricultural cooperatives and production collectives and in small industry and handicraft cooperatives, thereby creating conditions for the collectives of working people to have their say as the direct masters in the grass-roots units.

In villages, city wards, and population centers, it is necessary to bring into full play the role of the trade union, the youth union, the women's union, the collective peasants' association, and the fatherland front in motivating the people to develop production, engage in family economic activities, organize the distribution and circulation of goods and services, conduct cultural and educational activities, protect health and the environment, and maintain social order and safety.

Together with concern and care for the people's life, state organs must respect and guarantee the citizen's rights laid down in the Constitution. After the promulgation of the penal code and the drafting of the marriage and family law, our state still has to issue other laws as well. It is necessary to overhaul and consolidate the organization and enforce effective measures in order to abolish bribery and abuse of power and get rid of and severely punish those degraded elements who bleed the people and oppress the masses in the name of the party and the administration. The court, control, inspection, and security organs must rely on the people to discover and take timely action against violations of citizens' rights.

The elimination of violations of the law and protection of production and socialist property can be carried out effectively only by actually relying on inspection and supervision by the masses. In this respect, the mass organizations play an important role. To be effective, inspection and supervision by the people of state organs should be organized and directed by mass organizations. It is necessary to use the people's inspection system, strengthen the system of workers and employees' inspection system in enterprises and offices, and broadly develop various forms of participation by the youth union, the women's union, and the front in the inspection process.

Labor discipline and social order can be consolidated only when there is a correct management mechanism backed by strong legal measures together with education in social ethics.

To exercise the laboring people's right to collective mastery is in fact to respect man, to develop the creativity of the people of all walks of life and channel it toward building a new society, and through the process of socioeconomic construction to train and temper the new man and form new labor collectives. In order to build up a strong collective, it is necessary to mold each man and pay attention to discovering and fostering talents. The building of a new way of life and a new man assumes a special importance in our society. If we fail to build up a sense of awareness and self-mastery for everyone, then the right of all to collective mastery cannot be guaranteed.

The cultural, literary, artistic, educational, and mass media sectors should, on the one hand, have a clear grasp of the masses' aspirations and feelings in order to serve them well and keep the party informed; on the other hand, they are responsible for creating correct public opinion which effectively helps exercise the people's right to collective mastery. The watchwords -- the people have faith in the party, the party has faith in the people -- should be realized in daily life through concrete deeds.

The Vietnam Fatherland Front, the Democratic Party, the Socialist Party, and mass organizations -- first of all the trade union, the collective peasants' association, the Ho Chi Minh Communist Youth Union, and the women's union -- play a great role in mobilizing the people of all walks of life to take part in economic construction and development and in social management. All administrative echelons and branches must respect mass organizations and the front, work in close coordination with the latter, and create favorable conditions for them to operate with realistic results.

Party members, administrative cadres, and members of the Armed Forces and public security service must also take a direct role in mass proselytizing on a daily basis, considering it necessary for the performance of their specialized tasks.

Party committees at various echelons must assume close leadership over mass organizations, set forth tasks and objectives of action according their specific functions and duties, and train and upgrade the contingent of mass organization cadres. Yet, they must respect the organizational independence of the mass organizations and stimulate their initiative and creativity in carrying out revolutionary tasks. The mass organizations must also quickly renovate the content and mode of their work to suit the reforms in socioeconomic management. The activities of mass organizations must be vigorously shifted to the grass roots in order to draw the broad participation of the masses in revolutionary movements.

It is now necessary to solve numerous problems regarding the masses' legitimate interest. In the immediate future, efforts must be concentrated on resolving solvable issues in accordance with each section of the people.

Concerning workers and civil servants, we must implement a reasonable wage system and provide social welfare necessary to ensure the material and cultural life for the working people and their families. The party should review its experience and issue resolutions concerning the building of the working class. The state should make amendments to the trade union law.

Regarding peasants, we must find satisfactory solutions to problems related to the peasants' obligation to contribute to the state and their own interests. The state must review its policies concerning peasants and abolish the incorrect ones.

Concerning intellectuals, the most important thing is to ensure their freedom of creativity. We must correctly evaluate their abilities and create conditions for the correct use and development of these abilities. We must do away with narrowminded views of those who fail to realize that present-day intellectuals are socialist working people who are educated and led by the prty and who are developing even closer contacts with the workers and peasants.

Youths should be assured of employment when they come of age. We must pay attention to fostering their personalities and abilities and must educate them in the ideal of the motto: Let us live, struggle, work, and study following great Uncel Ho's example. We must fully realize that the young people are the generation entrusted with the historic mission of successfully building socialism. We should boldly give them responsibilities and train them and foster them through social activities. Teenagers and children should be educated and cared for in social affection and family love. Party committees and youth unions at all levels must be concerned with buildi g the Ho Chi Minh Pioneer Teenagers' Group. Women in general, and female workers in particular, have some special features that should be taken into consideration. In order to develop the great role of women in the revolutionary cause, we should make sure that the party's guidelines for motivating women permeate the entire system of dictatorship of the proletariat and concretize them into policies and laws. State organs, in coordination with mass organizations, should adopt practical measures to create more employment for women, train and foster women cadres, ensure mother and child health care, and correctly put into effect the marriage and family law in order to create conditions for women to combine their obligations as citizens with their functions as mothers and build happy families.

The party must continue to bring into play the tradition of unity and staunch and courageous revolutionary struggle of the ethnic minority nationalities in our country in order to consolidate land further strengthen unity among nationalities for the purpose of building prosperous and strong mountainous regions and successfully realizing the targets and revolutionary tasks set by our coungress. We should further the education of party cadres and members, the Armed Forces, and people throughout the country regarding the nationalities policy; heighten vigilance; and promptly expose and frustrate the enemy's schemes and acts aimed at sowing national discord. Programs and plans are needed to step up the training and fostering of the cadre contingent of ethnic minorities, especially those from the highlands, border areas, and some areas in the south.

Our party and state have consistently pursued a policy of respect for freedom of belief. We must lead and assist religious people to unite in building a new life and enthusiastically participate in national defense. We must be on guard against and oppose with resolve and timeliness attempts and maneuvers by the imperialists and reactionaries to drive a wedge between religious people and nonreligious ones and between people of different religions. Overseas Vietnamese, who are forming a community that is merging into the host society, always feel attached to the homeland. Our party and state, with understanding and high appreciation of their patriotism, will create more favorable conditions for them to build up unity within their community, keep contact with their relatives at home, nd contribute more and more tc the cause of building the fatherland.

Dear comrades, our state is an instrument of the system of socialist collective mastery, which is organized by the working class and the laboring people into an organ of political power. During this transition period, it is a proletarian dictatorship state that exercises socialist democracy. Under the party's leadership, the state's functions are to institutionalize by law the rights, interests, and obligations of the laboring people, and to carry out socioeconomic management according to law. Our state must guarantee the genuine democratic rights of the laboring people and, at the same time, resolutely punish those who violate the people's right to mastery.

Raising the effectiveness of management by the state is a pressing task and a necessary condition for guaranteeing the mobilization of the masses enormous strength in order to fulfill all political duties set forth by the party, thereby meeting the requirements and aspirations of the people.

Our state apparatus is still bulky and ineffective. The management mechanism based on centralized bureaucratism and state subsidies is directly responsible for making the apparatus heavy and laden with numerous tiers and levels. The functions and duties of the organization, as well as those of the cadre have not yet been clearly defined. In some central and local branches there exists a tendency of subdivision into various bodies and self-contained specialized units; this results in many redundant or overlapping organizations. In many cases, assigned cadres and employees are not equal to their tasks, and the system of job responsibility is not solidly established. Regarding work style, there are many manifestations of formalism and red tape, too many meetings, too many delays, and lack of a scientific basis in decision-making; moreover, organization for executing decisions is also deficient.

To set up a new management mechanism, it is necessary to initiate a large-scale reform and organize state organs along the following lines:

To set up and institute a state management mechanism that reflects the working people's right to collective mastery at all levels. To strengthen the state apparatus from the central down to the local and grass-roots levels and turn it into an integrated system, with a clear-cut delegation of tasks, division of responsibilities, and authority for each level, on the principle of democratic centralism; a clear distinction between functions for economic-administrative management and for production and business management, and combination of branch management and management by regions and territories, in conformity with the characteristics of the socioeconomic situation.

A state apparatus should be fully capable of discharging its functions in:

-- Institutionalizing the party lines and decisions into law and specific policies;

-- Working out a socioeconomic strategy and concretizing it into plans for socioeconomic development;

-- Exercising socioeconomic and administrative management; coordinating economic and social activities in the entire society as required by plans; maintaining state regulations, law and order, and national defense and security;

-- Supervising the implementation of the state plan, discovering the imbalances and working out measures to overcome them;

-- Instituting scientifically based and highly efficient labor regulations; and

-- Setting up a streamlined apparatus of high quality with a contingent of cadres possessing good political virtues and capabilities in state, economic, and social management.

The state must fulfill the taks of working out socioeconomic plans, programs for scientific-technological advancement, and a system of laws, policies, and regulations.

It must raise the capabilities for administrative management, preserve socialist legality and exercise its state authority to the full and, at the same time, set up an economic management system in accordance with the new management mechanism, giving greater scope to the initiative of the basic economic units in production and business.

To strengthen the effectiveness of the management by the state means, first and foremost, to uphold the role of the National Assembly and the State Council and of the people's council at all levels. At present, publicly-elected bodies at different levels are still selected, elected, and functioning in a formalist way. In many cases, party committees at various echelons run the whole show, doing the work of state organs; the selection of people into elected bodies in many places is done in a forcible manner. Many people's committees do not really respect the people's councils.

The publicly-elected bodies, from the National Assembly down to the people's councils at all levels should constantly improve and sum up their activities in good time. They should enrich the contents of their meetings, and discuss and decide practical matters. Socialist legality and supervision of the activities of the state management bodies are to be strengthened so as to help the elected bodies correctly perform their function, duties, and authority.

The Council of Ministers and the people's committees at all levels must improve their guiding and supervisory capacities so as to organize the effective implementation of party and state viewpoints and policies. A pressing problem is to rearrange ministries, state commissions, and general departments, and to streamline the state administration machinery of the ministries. A ministry's administrative management machinery should not deeply involve itself in enterprises' production and business operations. It is necessary to reduce the number of such intermediate organs as agencies, departments, bureaus, and sections; to vigorously shift to the direct expert-type workstyle; and to limit the number of deputies at all levels and organs. Along the guidelines for rearranging the state machinery at the central level, the apparatus of local perople's committee should also be streamlined and given full powers, duties, and managerial capabilities over the areas under their jurisdiction.

The management of the country should be performed by law instead of simply by moral concepts. The law is the institutionalization of party lines and policies and a manifestation of the people's will; and it must be applied uniformly throughout the country. To observe the law is to implement party lines and policies. Management by law requires attention to be paid to lawmaking. It is necessary to step by step supplement and perfect the legal system so as to ensure that the state machinery be organized and operated in accordance with the law.

We must attach great importance to the work of educating in, disseminating, and interpreting the law. Legal education should be introduced into the network of party and state schools, including general education schools, colleges, and schools run by mass organizations. All managerial cadres, from the central down to the grass-roots level, must acquire a knowledge of administrative management and an understanding of the law. Various forms and measures should be used to educate the people in order to enhance their sense of observing the law, and to provide them with legal counsel.

The law must be strictly observed. All peole are equal before the law. With the party in power, all cadres, whatever their positions, must live and work in compliance with the law, and be exemplary in respecting the law. No one is allowed to use his power and influence to act at variance with the law. All violations must be brought to justice. Those who violate the law must stand trial according to legal procedures, and their cases should not be handled as internal affairs. We should not follow the feudal practice of trying the common people according to the law and mandarins according to rites.

The Constitution stipulates that during trials, judges and people's jurors are independent and subject only to the law. All attempts to cover up offenses against the law or offenders in whatever form are prohibited.

We must use the force of the socialist legal system coupled with that of public opinion to counter offenses against the law. Party committee echelons from top to bottom must constantly exercise leadership over judicial work, reinforce the judicial sector with qualified and capable cadres, and closely control the activities of judicial organs.

Concerning the renovation of workstyle, to ensure good leadership and management it is necessary to make correct and timely decisions and organize the execution of these decisions. Preparations for making decisions and decision-making must follow strict regulations. We should put an end to bureaucratic work practices which entail many unnecessary intermediate levels and put into effect a workstyle that involves investigations, studies, and expeditious handling of affairs and does away with complicated procedures that inconvenience the people. A decision-maker must be held responsible for his decisions.

In order to enhance the effectiveness of state management and socioeconomic management it is necessary to have a contingent of qualified cadres who possess abilities, experience, political qualities, and revolutionary virtues. State administrative cadres -- from ministers, vice ministers, chairmen at all levels, and agency and department heads down -- must have a good grasp of the principles and systems of administrative management, knowledge of the law, and professional efficiency. We have cadres who deal with general affairs but no cadres who can be considered proficient in all types of affairs. To increase the state's managerial efficiency and confer more responsibility on cadres holding key positions in various sectors, we must from now on cease to appoint cadres with little or no specialized knowledge to leading or managerial positions at specialized organs, and put into effect a system for removing from office irresponsible and incompetent cadres.

In order to expand and upgrade the contingent of cadres, we should reorganize the system of training shools and devise plans to upgrade various categories of cadres according to appropriate programs. All leading and managerial cadres in key positions, from the central level to provinces, districts, and villages, from general directors down to managerial cadres in grass-roots units, must attend regular training courses and undergo examinations in order to study in a practical and systematic manner lines and policies as well as the management mechanism and gain new knowledge of management and technical, professional, and legal matters.

Raising the efficiency of state management and putting into effect the working people's right to mastery are in fact a unified whole. Under the socialist system, everything is done by the people and for the people; only when it is truly done by the people can it really serve the people to the full. Gradual and steady observance of this fundamental principle is the decisive factor of all successes of the revolution.

Part V Enhancing the Leading Ability and Fighting Capacity of the Party [subhead]

Dear Comrades, the past 5 years was a period full of activity and trials for the party. From both achievements and errors, our party has achieved further maturity in its leadership work. This congress is a milestone marking that step of maturation. However, all that has been achieved or left unfinished has also shown that our party's leadership work has not yet proved equal to the tasks of the new period. Our party has not yet met the requirements in the solving of many socioeconomic problems, in its style of leadership, and also in developing the qualities of party cadres and members.

The root cause of this inequality lies in the fact that, for several years, we have neglected party building work and have met with shortcomings in the process. This should be fully realized by the entire party, from its Central Committee down to its grass-roots organizations and its every member, with a high sense of responsibility.

The large scale and complex character of the socioeconomic tasks in the period of transition, the who-will-beat-whom struggle between the socialist road and the capitalist road, and the struggle between our people against imperialism and international reaction demand the unceasing enhancement of the leading ability and the fighting capacity of our party.

Our party must be mature in political leadership, develop and concretize its lines, and work out correct solutions to the new problems of the cause of socialist construction and national defense. To enhance its fighting capacity and its practical organizational ability, the party must carry out renovations in many aspects: renovation in thinking, first of all economic thinking; renovation in organization; renovation of the cadre contingent; and renovation of the style of leadership and work.

The party must take great pains to build itself into a firm and strong party in politics, ideology, and organization, thereby exerting a decisive impact on the development of the revolution in our country.

1. To renovate thinking, enhance the revolutionary qualities of party cadres and members and of the people is the principal task of the ideological work:

The world today is rapidly changing. Socialism is endeavoring to clearly demonstrate its superiority over capitalism in every aspect. For the fraternal socialist countries, renovation is the way to surge forward to meet the needs of the times, to successfully cope with all trials, and to satisfy the ever-increasing requirements of the people. For our country, renovation is an imperative demand of the revolutionary cause and a matter of vital significance. For many years now, there has existed in our knowledge of socialism many outdated concepts, especially those concerning industrialization, socialist transformation, the economic management mechanism, distribution and circulation, and so forth. This is a cause of the slow development and concretization of the general line and the economic line in the initial stage of the period of transition. Therefore, only by means of renovation, first of all renovation of our thinking, can we overcome difficulties and achieve the objectives set forth by the sixth congress.

To renovate thinking, our party must fully grasp the revolutionary and scientific nature of Marxism-Leninism; inherit the invaluable revolutionary ideological and theoretical heritage of President Ho Chi Minh, Comrade Le Duan, and other leaders of our party; and absorb the theoretical achievements and the new rich, experience of the fraternal parties and the scientific advances of our times. We must promote theoretical research work, systematically sum up the work of socialist construction and national defense, draw correct conclusions, and do away with erroneous or out-of-date concepts. To renovate thinking does not mean negating the theoretical achievements that have been recorded, nor negating the universal laws of socialist construction, the correct lines that have been defined. What it does mean is complementing and developing those achievements.

The documents of the Sixth CPV Congress demonstrate the beginning of the renovation of thinking by our party. Everyone of us, from leaders to ordinary party members, working in whatever field, should again check our knowledge and absorb new concepts in good time, be resolved to break with erroneous concepts, inculcate the resolutions of the congress into every party member and every working person, effect a renovation in conception, and raise revolutionary enthusiasm in party cadres and members of the people. These are the first and foremost tasks of ideological work.

The renovation of thinking in all fields of activity of our party and state is both an urgent task and a regular and long-term one. The conservatism and inertia of old concepts are no small obstacle, especially when those concepts are closely tied to inveterate individualists and conservatives. Favorable social conditions should be created to ensure the process of renovation of thinking; the democratic atmosphere in society, especially in party life, and in scientific research; the spirit of respect for the truth; an accurate information system; regular and serious criticism and self-criticism, and so forth. It is important to lay great store in theoretical work with a view to giving the renovation of thinking a scientific context.

Together with the renovation of thinking, ideological work must be directed at forging new qualities and virtues; enhancing the love the country and socialism, the spirit of proletarian internationalism, and socialist internationalism; and arousing the people's revolutionary spirit. The political qualities of each person must find their expression in his firm stand in the struggle between the two paths, between us and the enemy, between the wholesome and the degenerate; in his perseverance, dynamism, creativity, high sense of responsibility, and efficiency in his work performance; in his conviction of the people's strength; and in the leadership of the party in the struggle for the fulfillment of the tasks. Pessimism, vacillation, loss of confidence, disorientation, which are contrary to the fine nature of the vanguard revolutionary fighter, must be eliminated.

The question of social morals is posed as a matter of urgency. In our society a struggle is taking place between the two ways of life: one that is idealistic, healthy, honest, living by one's own labor, with a sense of respect for and defense of public property, concern for collective and national interests; and the other, characterized by pragmatism, deceit, selfishness, parasitism, and money-seeking. The forces operating on the ideological front must actively take part in that struggle by condemning and exposing the rotten nature of the old way of life, strongly asserting and widely propagating new moral values, and promoting the formation of a new way of life.

In the world, as in our country, the struggle between socialist ideology and bourgeois ideology is fierce. Our enemies, both at home and abroad, are seeking every means to undermine our cause ideologically. They spread all sorts of distortions with a view to undermining our party and our system. Communists should heighten their spirit of revolutionary offensive, keenly keep abreast of the situation, and promptly smash the enemy's slander campaign. In the past, ideological work was not really carried out in that direction. At times and in some places, certain party members showed their passivity, indifference, and helplessness in the face of false reports and ill-intentioned rumors, and were paralyzed in the face of the enemy's ideological attack. In order to do away with such conditions, it is necessary to reorganize the struggle against the enemy's psychological warfare, especially in big cities.

The effectiveness of ideological work depends primarily on the leadership of party organizations. Our party is a party in power with a system of organs engaged in ideological work with material means which, though not yet sophisticated, has increased considerably compared to the past; we have nearly 2 million party members and over 100,000 party cells, and yet why has the ideological task not produced results to match the requirements, and why is the ideological front being left vacant?

In many places, an important cause is that many of the party organizations have not really exercised or do not know how to exercise their leadership on the ideological front, while many comrades assigned to important positions in various state organs have failed to do propaganda and education work. To control the ideological front, party committees at all levels must know the hearts and minds of the people well, work out plans for ideological work, know how to organize, foster, and use various party organs, cadres, and members engaged in the ideological work and turn them into a powerful army with high combativeness.

Ideological work must be renovated in content and form, organization and method, people and means. The quality of party life must be heightened in all its organizations, from the central level to the cell. The effectiveness of meetings must be manifested in two aspects: working out guiding policies and measures to solve different tasks, and helping participants in meetings grasp the party's viewpoints and receive new information, experience, and knowledge, thus enhancing their sense of responsibility. Meetings of the party's committees and primary organizations marked by their rich contents are the prime condition for ideological work to be carried out effectively.

Party organizations must form contingents of lecturers and propagandists whose revolutionary virtues and political and professional knowledge are constantly improved, and who are regularly fostered and used in the work of disseminating the party's lines and policies. The cause of delay in forming such contingents was the slighting of oral propaganda, the lack of a rich and interesting content, and the lack of necessary facilities for the lecturers.

The task of the media is to propagate the party's lines and policies, to get close to reality, give timely information and deep analysis of new events, detect and truthfully depict good typical examples, warmly support and encourage new factors, bravely struggle against backwardness and sluggishness and other negative manifestations, deal with and have a good approach to essential problems of concern to society, build healthy social public opinion, and encourage the masses to fulfill the revolutionary tasks with initiative.

The press is the voice of the party and, at the same time, the voice of the masses. As their knowledge in every field is constantly increasing, our people require of the press and other mass media that they reflect the truth, improve their quality, strengthen their mass character and combativeness, do away with simplism, monotony, superficiality, cliches, and one-way information.

There should be an improvement in the quality of publishing work at both the central and local levels to ensure that many useful books are available. We should promptly detect and take measures against violations of principles and irresponsibility that result in publishing and circulating harmful literary and artistic works. We should try to publish a number of good-quality books on politics, science, technology, and literary works with a comparatively large circulation to provide each establishment with a good library.

Party organizations must pay attention to guiding cultural, literary, and artistic work. No other ideological form can substitute for literature and art in developing healthy sentiments and exerting a deep influence on the renovation of man's thinking and way of life. Literature and art must constantly enrich themselves with the party character and the popular character, be linked with the two strategic tasks of the revolution, be keen to grasp the reality that is developing in a complicated manner, detect in time and commend the new, create vivid models, assert the germinating factors in life, and bravely criticize the negative aspects that hamper social renovation.

Truth, the ideological character, and the artistic character are invariably the criteria by which to judge the value of a work of socialist realism. The party demands that writers and artists constantly enhance their sense of responsibility as citizens and combatants and perform their noble functions to create spiritual values that foster the minds and sentiments of generations of citizens, develop their personality and character, and create an ethical environment in society. Criticism of literature and art must be promoted in a constructive, brave, and impersonal spirit whereas undue deference, deviant tendencies, and manifestations of unrefined and rude style must be done away with.

Party organizations at all levels must create favorable conditions for the work of creation and performance by cultural, literary, and artistic workers and help foster their scientific world outlook and revolutionary philosophy of life. We must set great store by the new forces emerging from the movements of creative labor and combat. It is necessary to raise the ability of managerial cadres at all levels to exercise leadership over culture, literature, and art to suit their specific features and the needs for their development; and to oppose coercive or laissez-faire practices.

All-round reform is to be carried out with regard to the work of party schools in order to improve the quality of training and fostering the contingent of leading and managerial cadres at all levels.

The system of party schools must concentrate efforts on training a contingent of successor cadres selected according to plan and regularly organizing refresher training for leading and managerial cadres currently in office. Party committee echelons must develop a cadre plan which serves as the basis for training, fostering, placing, and using cadres. The teaching staff should be renewed, textbooks rewritten, and methods of teaching and learning renovated.

The form of in-service courses of study should be expanded to enable millions of party cadres and members, youth union members, and so forth to study Marxism-Leninism in accordance with established methodology, and a communist philosphy of life, and to familiarize them with party and state lines and policies. After the sixth congress, a widespread movement of study must be launched so as to make the resolutions understood and closely link them with the process of implementing the political tasks.

It is necessary to train, foster, and renew the contingent of cadres in charge of ideological work; and to select those who have practical experience as reinforcement for the contingent of cadres engaged in propaganda and education activities. These cadres should be assigned practical work for a certain period of time on a rotation basis. Attention must be paid to meeting legitimate demands for material and technical bases needed in ideological work such as printing paper, audio-visual equipment, schooling facilities, teaching and learning equipment, and living and studying conditions for students at party schools.

COUNCIL OF STATE COMMUNIQUE ON 22 DEC SESSION

BK221458 Hanoi Domestic Service in Vietnamese 1430 GMT 22 Dec 86

[Council of State's communique]

[Text] On 22 December 1986 the Council of State held its regular session under the chairmanship of Chairman Truong Chinh. Nationalities Council Chairman Hoang Truong Minh attended this session.

1. The Council of State heard a report by our government delegation to the 42d CEMA meeting held in Bucharest, Romania, from 3-5 November 1986, on the results of this CEMA meeting.

2. The Council of State examined preparatory work for the 12th session of the seventh National Assembly.

3. The Council of State decided to award the title "Hero of The Armed Forces" to Comrade (Tran Duc Thai), a disabled soldier of Dinh Hai village, Thieu Yen District, Thanh Hoa Province.

4. The Council of States decided on the appointment of a number of inspectors of the Supreme People's Organ of Control.

AFP SEES DELAY IN GOVERNMENT LEADERSHIP CHANGES

BK221514 Hong Kong AFP in English 1503 GMT 22 Dec 86

[Text] Hanoi, Dec 22 (AFP) -- Vietnamese government changes expected at the winter session of the National Assembly, due to open here Wednesday, could be postponed, sources said here Monday.

Vietnamese Communist Party Secretary General Truong Chinh, who is also chairman of the State Council, and Prime Minister Pham Van Dong, resigned from the party Central Committee and Politburo at the party congress last week and most observers here expected them to give up their state duties as well.

Under Vietnam's constitution the National Assembly is tasked with appointing the president of the State Council and the country's prime minister.

Mr Truong Chinh, 79, and Mr Pham Van Dong, 80, described by the local press in the past few days as "advisers" to the Central Committee, asked to stand down from the Central Committee and Politburo for age and health reasons, observers said.

But according to several reliable sources Vietnam's leaders have decided in the past few days to bide their time before replacing the two men.

This decision must still be confirmed by the State Council which was due to meet Monday to prepare for the National Assembly session, they added.

The National Assembly must also accept a number of other measures such as the appointment of party delegates.

This is normally a formality but could meet with difficulties because of increasing calls in recent months by party members and the general public for major changes, observers said.

The decision, if confirmed, not to replace Mr Truong Chinh and Mr Pham Van Dong could be justified for several reasons, the observers said.

Above all, they said, it would reassure the influential party faction that strongly opposed the departure of the two veterans, and of Le Duc Tho, from the Politburo and Central Committee, whom they see as guarantors of party continuity and unity.

Moreover as no one forecasts a rapid improvement in the ailing economy, it would be better to delay changes rather than have the public identify the new leaders with the country's economic woes.

Vietnam's helmsmen could also point out -- and have apparently done so already in private talks with some diplomats here -- that the National Assembly is due to be reelected in April, the observers said.

It would make sense to leave to the new chamber the formal task of appointing new leaders to the state machinery -- probably shortly after the elections.

Delaying changes at the top, on which the party does not seem to have reached agreement, would give Vietnam's leaders some breathing space after the weeks of often-stormy debate which led up to the sixth national congress last week, observers said.

But according to sources here even if Mr Truong Chinh and Mr Pham Van Dong are not replaced this week the national assembly may still carry out a partial and interim reshuffle to replace other ministers dropped from the Central Committee at the congress.

MOKHTAR COMMENTS ON SRV LEADERSHIP CHANGES

BK191243 Jakarta Domestic Service in Indonesian 1200 GMT 19 Dec 86

[Text] Foreign Minister Mokhtar Kusunmaatmaja has said the change in the leadership in Vietnam may indicate possible policy changes in that country. However, Indonesia needs to see first the new decisions of the CPV Congress before commenting on Vietnam's future policy. Minister Mokhtar was speaking to newsmen at Sukarno-Hatta Airport this afternoon on arrival from Surakarta, Central Java where he attended a symposium. According to the minister, it is too early to give a definitive conclusion on Vietnam's future policy.

The CPV Congress, which ended yesterday, elected Nguyen Van Linh as party general secretary and Vo Chi Cong as prime minister [as heard]. The posts of the general secretary and prime minister were previously held by Truong Chinh and Pham Van Dong respectively.

SUBROTO HAILS OPEC PRODUCTION DECISION

BK210935 Jakarta International Service in English 0800 GMT 21 Dec 86

[Text] Indonesian minister of mines and energy, Mr Subroto, has expressed gratitude over the OPEC ministerial meeting's decision to reduce oil production in a bid to increase the price to U.S. $18 per barrel. Minister Subroto told reporters in Geneva yesterday that the agreement was reached by 12 OPEC members except Iraq and constituted the maximum result that could be achieved by the meeting.

The 12 OPEC member-countries have agreed to reduce oil production by 7.6 percent during the first semester of 1987 from the present production of 17 million barrels per day. The following semester the production will be cut by 7.1 percent.

HABIBIE BRIEFS COMMISSION ON DEFENSE INDUSTRY

BK171254 Jakarta KOMPAS in Indonesian 12 Dec 86 p 2

[Excerpt] Jakarta, KOMPAS -- Indonesia is now carrying out its strategic industry program which involves sophisticated technology. The industry also has commitments to fulfill with prospective buyers, both domestic and overseas, which keeps the people in charge of productions and development busy. However, the pace of work is adjusted to the domestic economic situation, while at the same time high priority is still given to the promotion of agriculture and agricultural technology.

Minister of Research and Technology Habibie made these remarks at a hearing with Parliament Commission I on 11 December. During the session, Zamroni, chairman of the committee, which is among other things in charge of defense, wanted to know how far the strategic industry has been developed.

Before replying to the commission chairman's question, Habibie explained that the so-called strategic industry consists of eight projects, namely the aviation plant in Bandung, the shipbuilding industries in Surabaya, the weapon and ammunition factories in Bandung and Malang, the explosives factory in Tasikmalaya, the Krakatau Steel Plant, the train compartment factory in Madiun, telecommunications industries in Bandung, and the Center for Electronics Research in Bandung. The first four projects are described as defense industries.

Habibie said the operations of the projects are adjusted to the available funds. As an example, he said that when the state derived a lot of revenue from the sale of oil, several pieces of production equipment were purchased for the Aviation Plant, ammunition factory, and the shipbuilding industries. During the current economic slowdown, only a few research programs are being carried out. He pointed out the case of the Indonesian Navy's program to build frigates in which the designing is expected to be completed at the end of this decade, while actual production depends on the next decade's economic situation.

Habibie said that the defense industry is operating in full gear. The aviation plant in Bandung (the oldest industry with 10 years of service, compared to the shipbuilding industries' 6 years and ammunition factory's 3 years) is now fully occupied to fulfill the contract to deliver 16 CN-235 planes to buyers next year. In the maritime industry, the current preoccupation is the production of FPB-28 and FPB-58 fast patrol boats as well as jetfoils. [passage omitted]

COMMANDER CONFIRMS SEPARATISTS ARRESTED IN ACEH

BK172130 Jakarta KOMPAS in Indonesian 11 Dec 86 p 8

[Text] Medan, KOMPAS -- Commander of the Bukit Barisan First Regional Military Command Major General Ali Geno confirmed on Wednesday the arrest of 13 members of the Hasan Tiro separatist movement by the suppression unit of the 011/Lilawangsa military area command of North Aceh. Earlier, the authorities arrested 10 others, who were later released after they had undergone reeducation programs in Medan.

The regional military commander confirmed the arrest to KOMPAS as a follow up to an earlier press briefing by the commander of the 011/Lilawangsa military area command, Colonel Adang Pamekas, in Lhoksumewe last Monday. The colonel did not elaborate on where and when the separatist movement members were arrested. He merely said that after initial interrogation, 7 of the 13 will be put on trial and the rest released while still under the authorities' surveillance. Ali Geno added that the release was based on the consideration that they could still return and live properly in society.

The aborted separatist movement was first proclaimed by Hasan Tiro on 30 October 1980 in a forest near Tiro subdistrict, Pidie District. The information was obtained from several leaders of the separatist movement already convicted by the courts. The proclamation was aimed at establishing a kind of government. The movement, which did not receive popular support, moved around secretly in the forest areas of East Aceh, North Aceh, Aceh Pidie, and Central Aceh. Hasan Tiro also installed nine people as his "ministers." Among them were Dr Husain, Tengku Ilyas Leube, Dr Mokhtar, and Dr Zubaer, all of whom were shot dead in the suppression campaigns in 1982. Hasan Tiro himself, accompanied by two of his followers, Daud Paneuk and Dr Zaini, were reported to have fled abroad. The separatist movement has been on the run since its establishment due to the information given by three of the "ministers," namely Asnawi, Amir Ishak, and Dr Thahir Husein. Since 1983, the public has paid no attention to the movement even though the security authorities continue to launch suppression operations.

AQUINO COMMENDS ARMY ON CEASE-FIR PERFORMANCE

HK210600 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 21 Dec 86

[Text] President Aquino commended the new armed forces yesterday for helping preserve the cease-fire, but said that a keen preparedness for war will protect democracy against its natural enemies. Addressing soldiers of the Philippine Army's 5th Infantry Division in the camp named after her husband's grandfather, Mrs Aquino said she had great faith in the new armed forces in the cease-fire period. She has not been disappointed by the soldiers' behavior, she said. She expressed satisfaction that the soldiers have shared my patience under provocation and my abiding faith that the path of peace we have taken can yield us only good.

She observed that the promise by Defense Minister Rafael Ileto that the sword would stay sharp and shining in its scabbard had been largely fulfilled during the cease-fire; sharp with the willingness for sacrifice, and shining with the commitment to protect democracy against its natural enemies, Mrs. Aquino said of the military's preparedness.

The president, who made her first presidential visit to a military camp, said that with unquestioned strength and the rightness of our cause, the cause of freedom and peace can only crown our efforts. She said the credit for this success, especially when an enduring peace is finally achieved, should go to the members of the armed forces who, she said, love peace like no one else but are always the first to suffer its loss.

NDF CHALLENGED TO SHOW 'SINCERITY' FOR PEACE

HK200030 Manila Far East Broadcasing Company in English 2300 GMT 19 Dec 86

[Text] Commissioner Teofisto Guingona, head of the government negotiating panel for peace, says the National Democratic Front [NDF] must show sincerity by participating in the economic recovery program. Here is Art Pabellon:

[Begin recording] Commissioner Teofisto Guingona, head of the government negotiating panel for peace, challenged the National Democratic Front yesterday [19 December] to prove thier sincerity and commitment to the nation by participating in the economic recovery program. The government of president Corazon Aquino is committed to a program of social justice, of which cooperatives is but one of the features, Guingona siad. Other social economic reforms which the NDF claim they want are already embodied in the draft constitution of 1986, which is up for ratification in February.

Guingona said, historically, whenever a government has extended the hand of friendship to a rebel group, there has also been a (?quid pro quo), he told his audience in Davao city. Such initiatives were launched by President Manuel Quezon in the 1930s and by President Ramon Magsaysay in the 1950s. President Aquino has initiated a policy of reconciliation. She has offered the hand of peace. It is only fitting that the other side must respond, Guingona said. [end recording]

In the same conference, communist leader Satur Ocampo said the leftist National Democratic Front will insist on the framing of a new constitution, the holding of general elections, and the establishment of a transitional government with communist participation. He said this will be sought by the NDF at the end of the current peace talks. He also said the rebels will lay down their arms only at the end of the peace talks, if it is ever successful.

The Aquino goverment earlier had repeatedly rejected the move to share governmental power with the communist rebels.

NDF REFUSES TO JOIN ECONOMIC RECOVERY PROGRAM

HK220251 Manila Far East Broadcasting Company in English 2300 GMT 21 Dec 86

[Text] The communist National Democratic Front [NDF] yesterday [21 December] refused to join the government in the implementation of its economic recovery program. NDF emissary and communist leader Satur Ocampo said that the program is merely palliative and antipeople. He said the recovery program offered by the government is dictated by the International Monetary Fund and the World Bank. The economic recovery program is aimed at helping solve the 17-year-old insurgency problem in the country. The government, in announcing the program, offered to share with the communist rebels the program's benefits in the countryside. The program includes social amelioration projects and social reforms within the constitution and amnesty with honor for the rebels. Ocampo said the NDF cannot accept the program because it does not deal with the real problems. He said the NDF stand is for the government to get out of the IMF and the World Bank and get into the NDF framework.

PARTY REPRESENTATION IN POLL BODY ANNULLED

HK191233 Manila Radio Veritas in Tagalog 0900 19 Dec 86

[Text] No political parties may designate representives to the board of canvassers. This was one of the changes embodied in Executive Order No 94, which was issued by the president yesterday and which supplemented the Omnibus Election Code. In the past, the ruling party and opposition party had representatives to the board of canvassers and the board of election inspectors at precinct level in accordance with the Omnibus Election Code. Earlier, Executive Order No 50, signed by the president on 20 October 1986, annulled representation of ruling and opposition parties to the board of election inspectors.

Meanwhile, President Aquino also approved yesterday the 128-billion peso national budget aimed at achieving national reconciliation and recovery. The bulk of the budget is devoted to economic and social services.

GOVERNMENT, NDF DISAGREE OVER CONSTITUTION

HK190707 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 19 Dec 86

[Text] Government negotiator Teofisto Guingona and National Democratic Front's [NDF] Satur Ocampo disagreed over major issues to be discussed by the two panels in talks slated to start on 23 December. Satur Ocampo, speaking before the Bishops-Businessmen Conference, said that it was necessary to reform the political system in order to achieve an enduring peace in society. According to him, a provisional government could pave the way for the NDF and other forces outside the government to take part in the drafting of a new, pro-people constitution.

However, this proposal was turned down by Guingona who said that the goals of the NDF could also be realized with in the 1986 constitution.

COMMUNIST PARTIES DIFFER OVER DRAFT CONSTITUTION

HK191411 Manila MANILA BULLETIN in English 19 Dec 86 pp 1, 14

[Text] Two local communist parties -- the Communist Party of the Philippines (CPP) allegedly headed by Rodolfo Salas and the Partido Komunista ng Pipipinas (PKP) led by Felicisimo Macapagal -- released yesterday conflicting positions on the draft constitution.

The CPP in Central Luzon will vigorously oppose the new charter because of its failure to stop "unequal relations with the United States" and the absence of a genuine land reform program provisions, according to Manuel Valera Quizon, Central Luzon chairman of the National Democratic Front (NDF).

On the other hand, a 12-page statement of the PKP signed by secretary-general Macapagal said that the party will "vote for the proposed constitution with full knowledge of its limitations."

Macapagal said the party will use the period of discussion of the constitution issue in ventilating provisions that can be used as "weapon in the people's onward fight for a truly independent, democratic, and progressive Philippine society."

The two feuding communist parties started from one movement in 1935 when the PKP was founded by Crisanto Evangelista. The movement launched an armed struggle against the Japanese and later, the government, through its military arm, the Hukbong Mapagpalaya ng Bayan (HMB) [People's Liberation Army].

Disgruntled leaders such as Jose Ma. Sison and Bernabe Buscayno broke away from the old PKP and "reestablished" it as the CPP in 1968, with a new military arm, the New People's Army (NPA).

Since then, the Moscow-recognized PKP and the Maoist (CPP) have been in constant struggle on the ideological plane. Clashes have also been reported between their armed groups.

The PKP explained that "much of what is new in the democratic features of the proposed constitution has been distilled from the people's struggle against the Marcos dictatorship," and thus, "the relevant constitutional proposals can serve to consolidate the gains which the people achieved in their antidictatorship struggle."

While calling on the people to "expose the undemocratic and neocolonial features of the proposed constitution," the PKP recognizes certain positive provisions that could be carried forward by organized forces to advance the national democratic struggle, Macapagal said.

These provisions include the nuclear-weapons-free policy, the termination of the Military Bases Agreement by 1991, the declaration that the state shall pursue an independent foreign policy, the right given to employees in the public sector to organize, and the recognition of the right of the people to participate at all levels of social, political and economic decision-making.

The PKP called on the workers to concretize their new status and rights into specific demands in collective bargaining. It said the "struggle will go on beyond the present constitutional process" but it will "take forward whatever possibilities the proposed constitution can offer."

KMU AGAINST NEW CONSTITUTION; REPLACES OLALIA

HK220617 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 22 Dec 86

[Text] The militant Kulusang Mayo Uno [KMU -- 1 May Movement] yesterday vowed to vote against President Aquino in the February plebiscite to ratify the new constitution. At a conference held at the Folk Arts Theater, the 600,000-strong union opted to vote against the proposed charter because it lacks provisions for the necessary distribution of land and the nationalization of industry. The move made the KMU the first major group that opposed ousted President Marcos to announce they will vote against Mrs Aquino. Observers feel the KMU vote is also a reaction to the murder of their leader Rolando Olalia. The KMU is still mourning the November 12th murder of Olalia and has been highly critical of the Aquino government for its apparent inability to solve the crime. The KMU congress also elected a new set of officers. Elected to the post of national chairman, replacing Olalia was Crispin Beltran. The members of the National Executive Council includes (Let Pabillar), Cipriano Malonso, Felicisimo (Tarullo), Tony (Quizon), Mick (Yaman), Godofredo (Pasena) Sr, Roberto (Osalin), Ernie Arellano, Butch Pena, Elmer (Lomo), Manny Sarmiento, Lito (Balatsan), Ed (Cabuyog), and Doming Mabangon.

RAMOS URGES COORDINATION IN INFORMING PUBLIC

HK220943 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 22 Dec 86

[Text] Armed Forces Chief General Fidel Ramos suggested that the government match the propaganda war launched by the National Democratic Front. He said that it was perhaps necessary for government agencies to improve their coordination for the purpose of informing the public. At the same time, he denied published reports that the government was losing the propaganda war against the communists, stressing that propaganda was not the Army's main task, but that it was the responsibility of civilian agencies. Ramos made these statements at the Kapihan sa Manila [Manila coffeeshop] breakfast forum at the Manila Hotel this morning.